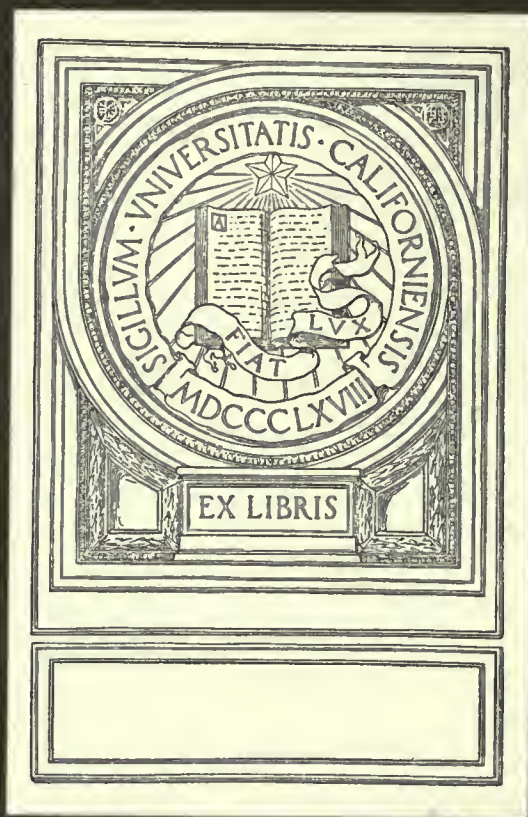


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THE MISSOURI PACIFIC RAILWAY COMPANY

AND

ST. LOUIS, IRON MOUNTAIN AND SOUTHERN RAILWAY COMPANY

Plan and Agreement of Readjustment

Dated July 1, 1915

KUHN, LOEB & CO.

Readjustment Managers

DEPOSITARIES:

*For Five Per Cent. First and Refunding
Mortgage Bonds:*

GUARANTY TRUST COMPANY OF NEW YORK
140 Broadway, New York

*For Forty Year Four Per Cent.
Gold Loan Bonds:*

BANKERS TRUST COMPANY
16 Wall Street, New York

For Stock:

CENTRAL TRUST COMPANY OF NEW YORK
54 Wall Street, New York

For All Other Securities:

GUARANTY TRUST COMPANY OF NEW YORK
140 Broadway, New York

SUB-DEPOSITARIES FOR ALL SECURITIES:

ST. LOUIS

MERCANTILE TRUST COMPANY

LONDON

GUARANTY TRUST COMPANY OF NEW YORK

ADDITIONAL SUB-DEPOSITARIES:

AMSTERDAM

For Bonds: HOPE & CO.

AMSTERDAMSCHIE BANK

For Stock: Administration office of BROES & GOSMAN

SECRETARIES OF COMMITTEES:

*Committee for Five Per Cent.
Refunding Bonds:*

LEWIS B. FRANKLIN, Secretary
140 Broadway, New York

*Committee for Four Per Cent.
Gold Loan Bonds:*

B. W. JONES, Secretary
16 Wall Street, New York

*Committee for Missouri
Pacific Company's Stock:*

C. E. SIGLER, Secretary
54 Wall Street, New York

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TO VINH
AIRPORT

Approval of Plan

Messrs. Kuhn, Loeb & Co., the Boards of Directors of The Missouri Pacific Railway Company and St. Louis, Iron Mountain and Southern Railway Company, and the following Committees have approved the annexed Plan of Readjustment and recommend the deposit of the several classes of securities under the Agreement of Readjustment:

FIVE PER CENT. FIRST AND REFUNDING MORTGAGE BONDHOLDERS' COMMITTEE:

ALEXANDER J. HEMPHILL, Chairman	JEROME J. HANAUER
ROBERT FLEMING (London)	ALVIN W. KRECH
DONALD G. GEDDES	C. E. terMEULEN (Amsterdam)

FORTY YEAR FOUR PER CENT. GOLD LOAN BONDHOLDERS' COMMITTEE:

FRANK N. B. CLOSE, Chairman	JOHN W. PLATTEN
OTTO H. KAHN	J. G. SIEGERS (Amsterdam)
JOHN H. McCLEMENT	W. H. WILLIAMS

STOCKHOLDERS' COMMITTEE:

JAMES N. WALLACE, Chairman	FREDERICK STRAUSS
J. HORACE HARDING	ALBERT H. WIGGIN
ROBERT WINSOR	

DIRECTORS OF THE MISSOURI PACIFIC OR IRON MOUNTAIN COMPANIES:

BENJAMIN F. BUSH, President	
NICHOLAS F. BRADY	FINLEY J. SHEPARD
NEWCOMB CARLTON	E. C. SIMMONS
EDWARD A. FAUST	CORNELIUS VANDERBILT
ALEXANDER J. HEMPHILL	FESTUS J. WADE
WILLIAM H. LEE	C. MINOT WELD
EDGAR L. MARSTON	ALBERT H. WIGGIN
EDWIN G. MERRILL	R. LANCASTER WILLIAMS
C. A. PRATT	W. H. WILLIAMS

DEFINITIONS OF TERMS

The following terms when used in the Plan and Agreement of Readjustment and in the Introductory Statement shall have the following meanings respectively :

READJUSTMENT MANAGERS : The firm of Kuhn, Loeb & Co. as now or hereafter constituted.

COMMITTEES : The three Committees representing, respectively, Five Per Cent. Refunding Bonds, Four Per Cent. Gold Loan Bonds, and Stock of The Missouri Pacific Railway Company, which Committees are parties to the Agreement of Readjustment, and any Committees representing other classes of securities which may become parties to said Agreement as therein provided, in each case, as such Committees may from time to time be constituted.

MISSOURI PACIFIC COMPANY : The Missouri Pacific Railway Company.

IRON MOUNTAIN COMPANY : St. Louis, Iron Mountain and Southern Railway Company.

MISSOURI PACIFIC SYSTEM : Except where otherwise indicated by the context, all the lines of railroad now owned by the Missouri Pacific Company and the Iron Mountain Company or either of them.

FIVE PER CENT. REFUNDING BONDS : Five Per Cent. First and Refunding Mortgage Fifty-Year Gold Bonds, due September 1, 1959, of the Missouri Pacific Company.

FOUR PER CENT. GOLD LOAN BONDS : Forty Year Four Per Cent. Gold Loan Bonds of 1905, due March 1, 1945, of the Missouri Pacific Company.

SECURITIES : Includes bonds, stock, equipment obligations, interest coupons, notes and endorsements, except where otherwise indicated by the context.

DEPOSITORS : The holders, from time to time, of certificates of deposit representing securities deposited with any depositary or sub-depositary subject to the Plan and Agreement.

NEW COMPANY : The company or companies by which the new securities described in the Plan shall be issued, whether one or more existing companies or a company or companies hereafter organized.

NEW SECURITIES : The securities issued in accordance with the Plan, whether by one or more existing companies or by a company or companies hereafter organized.

READJUSTMENT OF THE CAPITAL AND DEBT

of

THE MISSOURI PACIFIC RAILWAY COMPANY

and

ST. LOUIS, IRON MOUNTAIN AND SOUTHERN RAILWAY COMPANY

Introductory Statement

I

In their letter dated January 20, 1915, to the stockholders of The Missouri Pacific Railway Company, the Proxy Committee, consisting of Messrs. Alexander J. Hemphill, Otto H. Kahn, Seward Prosser, James N. Wallace and Robert Winsor, by whose votes the present Board of Directors were elected, recommended a program which contemplated the extension for one year of the \$24,845,000 of Six Per Cent. Notes maturing June 1, 1915, and thereafter the submission to the security holders of a plan for the readjustment of the financial structure of the Company, to be carried out by voluntary action, if practicable.

Pursuant to this program, the Board of Directors invited the holders of the above mentioned Notes to extend them for one year. This offer has met with a highly gratifying response. Notwithstanding the inaccessibility of a considerable amount of the Notes held in Europe, more than \$23,400,000 face value thereof (94% of the total outstanding issue) have joined in the extension. Accordingly, unless there should be unexpected litigation by holders of unextended Notes, the first and most pressing step in the program may be considered as having been accomplished.

The Directors therefore now address themselves to the second problem, which urgently and imperatively calls for solution, namely, the readjustment of the financial structure of the Company, and to that end they have invited the co-operation of Messrs. Kuhn, Loeb & Co. and of the Committees representing bonds and stock.

II

The Missouri Pacific System, including the lines of the St. Louis, Iron Mountain and Southern Railway Company,* comprises 7,009 miles of railroad (excluding about 274 miles leased or operated under trackage contracts) admirably located geographically and strategically in a territory which is one of the richest and most fertile in the United States. The property is in good physical condition and its management under President Bush is efficient and popular.

The capitalization of the System, based on securities outstanding in the hands of the public, is at the comparatively low rate of \$52,070 per mile, but of that capitalization \$40,245 (about 77%) per mile is in fixed interest bearing obligations and only \$11,825 (about 23%) in stock.

For the year ended June 30, 1915, notwithstanding the policy of retrenchment which was pursued, the earnings of the System (last two months partly estimated) fell short of its total charges by approximately a million and a quarter dollars.

* Including also 43.69 miles of line owned by Boonville, St. Louis and Southern Railway Company, substantially all of the stock of which Company is owned by the Missouri Pacific Company.

During the next five and a half years provision must be made for the following obligations maturing within that period :

Missouri Pacific Company Extended Three Year Six Per Cent. Secured Gold Notes due on or before June 1, 1916.....	\$24,845,000
Little Rock Junction Railway First Consolidated 6s, due April 1, 1916 (Iron Mountain).....	393,000
Missouri Pacific Company Collateral Trust 5s, due January 1, 1917.....	14,375,000
Central Branch Railway First 4s, due February 1, 1919 (Missouri Pacific).....	3,459,000
Missouri Pacific Company Collateral Mortgage 5s, due August 1, 1920.....	9,636,000
Missouri Pacific Company Lexington Division First 5s, due August 1, 1920.....	650,000
Missouri Pacific Company Consolidated First 6s, due November 1, 1920.....	14,904,000
Equipment trust obligations maturing prior to the end of 1920, about.....	5,705,000
Iron Mountain Company's endorsement on notes of The Texas and Pacific Railway Company, dated June 1, 1914.....	1,741,000
Floating debt, including miscellaneous Accounts Payable, about.....	3,600,000
Total.....	\$79,308,000

In its present position the Missouri Pacific System has no means of raising the money needed to meet these obligations, while existing mortgage provisions forbid the extension of maturing bonds. Its free collateral is practically exhausted. Its credit is so impaired that the market price of its Four Per Cent. Gold Loan Bonds and of its Five Per Cent. Refunding Bonds has fallen to about 40%, and even its bonds secured by underlying liens and maturing in 1917 are selling on an interest basis of about 11%. Under these circumstances it would be impossible to raise capital by the sale of bonds, apart from the fact that it would be pursuing a fundamentally unsound financial policy to further accentuate the existing disproportion between capital stock and funded debt.

III

Prominent among the causes to which the present plight of the Company is due, are unremunerative freight and passenger rates, both local and interstate, from which the Company has thus far been unable to obtain material relief; heavy increases in taxation and wages, and many burdensome requirements imposed by public authorities; and large investments in the securities of other railroad companies which, although they may have been justified at the time they were made, have since become unproductive. The amount invested in such securities aggregates about \$40,000,000 and entails heavy interest charges with no counterbalancing income from dividends or interest.

IV

Under these circumstances a readjustment is essential in the interest of the security holders of all classes. The Boards of Directors, in co-operation with Messrs. Kuhn, Loeb & Co. and the several Committees respectively representing Four Per Cent. Gold Loan Bonds, Five Per Cent. Refunding Bonds and Stock, have adopted the Plan of Readjustment now submitted. It is urgently hoped and advised that the Plan be promptly carried out by the voluntary action of the security holders concerned. Failing this, the foreclosure of mortgages and a compulsory reorganization, involving, as it necessarily must, serious expense, delays and complications, cannot possibly be avoided.

V

The main burden of the readjustment in its immediate effect must necessarily be borne by the stock and by the two junior issues of bonds, viz., the Four Per Cent. Gold Loan Bonds and the Five Per Cent. Refunding Bonds, but it is hoped that the returns from the contem-

plated development of the property will be such as to more than compensate for the modification in their status to which their holders are now asked to consent. It has been deemed fair and logical to treat the two issues of bonds alike in the allotment of new securities.

While the Five Per Cent. Refunding Bonds have a mortgage lien, the Company is not earning its fixed charges and in order to provide the means absolutely required to meet maturing underlying obligations (chiefly secured by prior liens upon the Missouri Pacific lines proper) and other capital requirements and to re-establish the Company's credit, there is no alternative but the surrender of this mortgage. As to the Four Per Cent. Gold Loan Bonds, their claim on the Missouri Pacific lines ranks behind that of the Five Per Cent. Refunding Bonds. On the other hand, if the holders of the Four Per Cent. Bonds were to take possession of their collateral, the St. Louis, Iron Mountain and Southern Railway Company stock, they would lose the many operating economies and valuable traffic arrangements enjoyed as a result of the close interdependence of the two main properties, which manifestly could not be operated separately so advantageously for either property as when united. They would be confronted with the task of raising the necessary funds for the requirements of the Iron Mountain Company, which is already subject to a very heavy mortgage debt,—more than twice as much per mile as the mortgage debt ahead of the Missouri Pacific Five Per Cent. Refunding Bonds. They would not obtain the benefits of the money to be raised under the present Plan through the proposed assessment on the Missouri Pacific stock, nor of the proposed retirement of the \$29,423,000 of Iron Mountain Six Per Cent. Bonds with their heavy sinking fund requirements, nor of the provision for dealing with the Iron Mountain endorsement on \$1,741,000 Texas and Pacific notes and for paying the Iron Mountain floating debt. In other words, the Four Per Cent. Gold Loan Bondholders would in that case become common stockholders in the Iron Mountain Company saddled with the burden of financing it, instead of being, as they will be under the present Plan, preferred stockholders in the whole system with its financial needs adequately provided for.

While it is deemed absolutely indispensable to convert these two bond issues into preferred stock (or income bonds if conversion into preferred stock should be found impracticable), it should be particularly observed that the proposed readjustment (except only for a portion of the money raised) places no lien ahead of them which does not rank prior to one or the other of them *now*; in fact, upon the complete consummation of the Plan, the charges ranking ahead of the new securities to be given to holders of Four Per Cent. Gold Loan Bonds and Five Per Cent. Refunding Bonds (taking the System as a whole) will be less than the charges ahead of them now.

VI

The terms of exchange offered to various bonds maturing within the next few years and to bonds secured by sectional liens, are the result of careful study. Although the security for certain issues of these bonds consists of lines which are of strategic importance to the System, yet several of these lines fail to earn fixed charges and would be still less remunerative if they had to depend upon their own earning power as independent lines, with the increased expense and other disadvantages of separate administration. Moreover, if the present Plan to raise the funds required for the System *as a whole* should fail, the separate enforcement of the sectional mortgages would necessarily impose upon the holders of the bonds secured thereby the burden of providing the moneys required for these disjointed lines,—a burden likely to be increased by the delays and complications incident to foreclosure proceedings and by the physical deterioration to which the properties would in the meantime be exposed. The stockholders cannot be expected to provide the large amount of new money required for present purposes unless provision is made in the Plan to take care of the obligations maturing in the near future, so as to afford reasonable assurance that the Company will be free from serious financial problems and thus protected against the risk of having to meet large cash requirements at an unfavorable time.

It is believed that the Plan of Readjustment takes full and fair account of the respective equities of the various bond issues, and that by consenting to the exchanges proposed the holders of such bonds will fare materially better than they possibly could, by the enforcement of their respective liens.

VII

The principal advantages which will result from the proposed readjustment, and which should more than compensate the security holders for the changes in position which the Plan involves, are the following :

(a) Provision of new money, the payment or refunding of the obligations maturing during the next few years, and the consolidation into large issues of various minor bond issues. These minor bond issues have at present but a limited market, which affects their saleability and, as a consequence, tends to injure the credit of the Company, whereas the new issues should command a ready and active market.

(b) Fixed charges so reduced as to come well within the earnings of the System even under the adverse conditions prevailing during the past two years.

(c) Reduction in the amount of fixed interest bearing securities by over \$60,000,000.

(d) The new First and Refunding Mortgage, constituting, as it will, a lien upon the entire Missouri Pacific-Iron Mountain System, subject to prior liens aggregating only about \$18,328 per mile upon the completion of the readjustment, affords a security which, it is believed, will not only meet the requirements of the present Plan but can be advantageously marketed, as occasion may require, to provide for obligations of later maturities and for the comparatively moderate expenditures which will be required from year to year for improvements, betterments and additions. . On the basis of the earnings for the fiscal year ended June 30, 1915, the net income after meeting prior lien charges is nearly three times the interest on the new First and Refunding Mortgage 5% Bonds, and the balance then available is nearly two and one-half times the interest on the new General Mortgage 4% Bonds.

(e) The re-establishment of the Company's credit and the anticipated strengthening of the Company's position.

VIII

There is every reason to hope that with the prompt co-operation of the security holders the readjustment can be accomplished in a comparatively short time. The property is in good physical condition. The present management has gone far in regaining for the Company the goodwill of the public in its territory. The System is not burdened with unprofitable leases and no large sum is required in the near future for rehabilitation or the acquisition of additional property.

With its financial structure suitably readjusted and its credit re-established and with the progress towards the restoration of reasonable rates, which may now fairly be expected, the Missouri Pacific System should be in a position to meet the demands of the rapidly growing territory which it serves and, in normal times, earn a fair return upon the securities provided for in the Plan of Readjustment.

The gratifying recognition, which is becoming more and more general, that the interests of the public and of the railroads are identical and that both are benefited by reciprocally fair treatment, justifies the hope that in the task of reorganizing and re-vitalizing the Missouri Pacific System the Board of Directors and the Readjustment Managers may count upon the support of the communities it serves and upon the co-operation of the public authorities at Washington and in the various States in which its lines are located.

Holders of the various securities dealt with in the Plan are earnestly urged to deposit their holdings subject to the Plan and Agreement with the respective depositaries and sub-depositaries.

PLAN OF READJUSTMENT

I

PRESENT CAPITALIZATION

(As of June 1, 1915)

Obligations to Remain Undisturbed :

All the Iron Mountain Company bonds, except its \$29,423,000 First and Refunding Mortgage Six Per Cent. Forty-Year Gold Bonds due July 1, 1952 (of which \$25,000,000 are pledged to secure Missouri Pacific Company Gold Notes, \$248,000 additional are owned by the Missouri Pacific Company and \$4,175,000 are outstanding in the hands of the public), and except its equipment obligations maturing to June 30, 1918 (which are to be paid)-----		\$110,283,120
The Pacific Railroad (of Missouri) First Mortgage Extended Bonds, 4%, due August 1, 1938		6,996,000
The Pacific Railroad (of Missouri) Second Mortgage Extended Bonds, 5%, due July 1, 1938		2,573,000
Missouri Pacific Company Third Mortgage Extended Bonds, 4%, due July 1, 1938		3,828,000
The Pacific Railroad (of Missouri) Carondelet Branch First Mortgage Extended Bonds, 4½%, due October 1, 1938----		237,500
The Pacific Railroad (of Missouri) Extended St. Louis City Real Estate Renewal Mortgage Bonds, 5%, due May 1, 1938		800,000
The Verdigris Valley Independence and Western Railroad Company First Mortgage Bonds, 5%, due March 1, 1926-		806,000
Equipment obligations maturing after June 30, 1918-----		2,937,000
	-----	\$128,460,620

Obligations to be Paid in Cash :

Missouri Pacific Company Gold Notes, 6%, due on or before June 1, 1916-----	\$24,845,000
Equipment obligations maturing from June 30, 1915, to and including June 30, 1918	3,861,000

	28,706,000
Forward	\$157,166,620

Forward.....	\$157,166,620
<i>Obligations to be Exchanged for New Securities :</i>	
Missouri Pacific Company Consolidated First Mortgage Bonds, 6%, due November 1, 1920.....	\$14,904,000
Missouri Pacific Company Collateral Trust Bonds, 5%, due January 1, 1917.....	14,375,000
Missouri Pacific Company Collateral Mortgage Bonds, 5%, due August 1, 1920.....	9,636,000
Missouri Pacific Company Forty Year Gold Loan Bonds, 4%, due March 1, 1945.....	37,255,000
Missouri Pacific Company First and Refunding Mortgage Bonds, 5%, due September 1, 1959.....	29,806,000
Missouri Pacific Company Lexington Division First Mortgage Bonds, 5%, due August 1, 1920.....	650,000
The Kansas and Colorado Pacific Railway Company First Refunding Mortgage Bonds, 6%, due February 1, 1938..	3,972,000
The Central Branch Railway Company First Mortgage Bonds, 4%, due February 1, 1919.....	3,459,000
The Central Branch Union Pacific Railway Company First Mortgage Bonds, 4%, due June 1, 1948.....	2,500,000
The Leroy and Caney Valley Air Line Railroad Company First Mortgage Bonds, 5%, due July 1, 1926.....	520,000
The Kansas City Northwestern Railroad Company First Mortgage Bonds, Series A, 5%, due January 1, 1933.....	1,024,000
Boonville, St. Louis and Southern Railway Company First Mortgage Bonds, 5%, due August 1, 1951.....	500,000
Iron Mountain Company First and Refunding Mortgage Bonds, 6%, due July 1, 1952, outstanding (exclusive of \$25,000,000 owned by the Missouri Pacific Company and pledged to secure its Gold Notes and \$248,000 additional owned by the Missouri Pacific Company).....	4,175,000
Little Rock Junction Railway First Consolidated Mortgage Bonds, guaranteed by the Iron Mountain Company, 6%, due April 1, 1916.....	393,000
	123,169,000
Total funded debt of the System outstanding in hands of public..	\$280,335,620
Endorsement of Iron Mountain Company on notes of The Texas and Pacific Railway Company dated June 1, 1914, to the amount of....	1,741,000
<i>Capital Stock :</i>	
Stock of the Missouri Pacific Company in hands of public.....	82,839,585
* Stock of the Iron Mountain Company in hands of public.....	45,135
Total amount of securities of System now outstanding.....	\$364,961,340

* Of the \$44,394,738.59 par value of issued stock of the Iron Mountain Company all but 451.35 shares is owned by the Missouri Pacific Company.

II

CASH REQUIREMENTS

The amount of cash estimated to be required to carry out this Plan is.....	<u>\$41,419,792</u>
To be applied to the following and such other and further uses as may be determined by the Readjustment Managers or by the New Company :	
To pay Missouri Pacific Company Extended Gold Notes.....	\$24,845,000
To provide for equipment trust obligations of the Missouri Pacific and Iron Mountain Companies maturing up to June 30, 1918.....	3,861,000
To provide for adjustments and payments of interest in respect of bonds and other obligations deposited under Plan, additional working capital for New Company, payment of loans and reduction of other current liabilities, new equipment and immediate improvements, readjustment expenses, compensations, services of engineering, accounting and other experts, taxes and fees on authorization and issue of new securities, and other corporate and readjustment expenditures and requirements	12,713,792
Total cash requirements.....	<u>\$41,419,792</u>
<i>Provision for Cash Requirements :</i>	
The foregoing cash requirements are to be met, as hereinafter provided, by payments of \$50 per share by the stockholders of the Missouri Pacific Company (the amount of which outstanding in the hands of the public is \$82,839,585).....	<u>\$41,419,792</u>

III

NEW SECURITIES

It is hoped to unite the properties of the Missouri Pacific and Iron Mountain Companies in a single ownership by sale, consolidation or otherwise and to effect the readjustment without the foreclosure or enforcement of any of the existing mortgages and trust indentures. The readjustment may, however, be accomplished by the foreclosure or enforcement of existing mortgages and trust indentures and the utilization of any existing corporation or existing corporations or the organization of a new corporation or new corporations, which corporation or corporations shall own or control, by stockholding or otherwise, the properties of the existing Companies with such exceptions and additions as the Readjustment Managers may deem wise.

The obligations to remain undisturbed (as hereinbefore described in detail) aggregate in principal amount.....	\$128,460,620
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The following new securities will be issued by the New Company to effect the readjustment :

(1) <i>New First and Refunding Mortgage 5% Bonds</i>	\$46,923,150
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These bonds will be part of an authorized issue the principal amount of which, including amounts reserved for refunding, shall never exceed in the aggregate three times the par amount of the capital stock of the New Company (or of its successor or successor companies) at the time issued and outstanding. They are to mature at a date or dates not earlier than

1965, and to bear interest at rates not exceeding six per cent. per annum. The bonds issued under this Plan are to bear interest at the rate of five per cent. per annum, are to mature about 1965, and are to be of a series redeemable as a whole (but not in part) at 107½% of their face value and accrued interest on any interest date after 1920. The mortgage securing these bonds shall be a lien, subject only to such of the existing liens as are not displaced by this readjustment (which will aggregate about \$18,328 per mile, in case of the completion of the readjustment in respect of all the securities embraced therein), upon the railroads, properties and franchises now owned by the Missouri Pacific and Iron Mountain Companies, with such exceptions and additions as the Readjustment Managers may deem wise, and shall also become a lien upon all properties hereafter acquired by the use of bonds secured thereby or their proceeds. So far as the Readjustment Managers may deem practicable, such lien shall be in the form of direct mortgage, but it may take the form of the pledge or assignment of securities of a corporation or corporations owning property to which the lien is intended to extend. The mortgage shall provide that bonds shall be reserved under suitable restrictions and conditions to provide for improvements, extensions, betterments and the acquisition of additional property and for the purchase, redemption, retirement, refunding or payment of bonds and other obligations secured by liens prior to the lien of said new mortgage, and for other corporate purposes. The bonds secured by said mortgage may be issued in series, and all the bonds of any one or more series at any time outstanding under the mortgage (but not a part of any series) may be redeemable at such premiums, if any, and at such times as may be provided in the bonds of the respective series.

(2) *New General Mortgage 4% Bonds* ----- \$44,399,292

These bonds will be part of an authorized issue limited to \$100,000,000 principal amount, to mature at a date or dates not earlier than 1975, and to bear interest at rates not exceeding six per cent. per annum. The bonds issued under this Plan are to bear interest at the rate of four per cent. per annum, are to mature about 1975, and are to be of a series redeemable as a whole (but not in part) at par and accrued interest on any interest day after 1920. The mortgage securing these bonds shall be a lien upon all property which shall at any time be subject to the new First and Refunding Mortgage, subject only to the prior lien of said Mortgage and the liens prior thereto, and shall also be a lien upon all property thereafter acquired by the use of bonds secured by the General Mortgage or of their proceeds. The mortgage securing these bonds shall provide that bonds shall be reserved under suitable restrictions and conditions to provide for improvements, extensions, betterments and the acquisition of additional property, and for other corporate purposes. The bonds secured by said mortgage may be issued in series and all the bonds of any one or more series at any time outstanding under the mortgage (but not a part of any series) may be redeemable at such premiums, if any, and at such times as may be provided in the bonds of the respective series.

(3) *New Convertible 5% Preferred Stock* convertible into common stock at par ---- \$76,751,635

Holders of preferred stock will be entitled to receive in any fiscal year before the payment of any dividend or dividends on the common stock

dividends at the rate of five per cent. per annum; and such dividends shall be cumulative from June 30, 1918, so that if in any fiscal year or years thereafter dividends at said rate shall not have been paid on the preferred stock the deficiency shall be declared and set aside or paid before any dividend shall be declared or paid upon the common stock. The holders of preferred stock shall be entitled as such to no other or further distributions from the income or surplus of the New Company. A share of the preferred stock shall have the same voting powers as a share of the common stock. In case of liquidation or dissolution or winding up of the New Company, whether voluntary or involuntary, the holders of the preferred stock shall be entitled, before any distribution shall be made to the holders of the common stock, to be paid in full the par amount of their shares, together with all dividends thereon accrued and unpaid for the fiscal year then current, or, if after June 30, 1918, all dividends thereon accrued and unpaid from June 30, 1918, but shall not be entitled as holders of such preferred stock to share in any assets of the New Company then remaining. The holder of any such preferred stock shall be entitled, at his option, to convert the same at par into common stock of the New Company at par, subject to an adjustment of dividends. The New Company may at any time or, if the Readjustment Managers shall deem preferable, at any date permitted by the charter or amended charter of the New Company, redeem the entire issue of preferred stock at the time outstanding, but not a part thereof, at 107½% of its par value with all dividends thereon accrued and unpaid from the commencement of the fiscal year then current or, if after June 30, 1918, all dividends thereon accrued and unpaid from June 30, 1918, subject to such regulations for the protection of said conversion privilege and otherwise as may be approved by the Readjustment Managers and prescribed in the charter or amended charter of the New Company or otherwise adopted by the New Company.

If for legal or other reasons it should be deemed impracticable or inadvisable to issue or to use said preferred stock for any of the purposes of this Plan convertible five per cent. income bonds, convertible into common stock at the option of the holder, may, in the discretion of the Readjustment Managers, be substituted therefor in whole or in part, for any or all of the purposes for which said preferred stock might be used as herein provided. Such income bonds shall, if practicable, have voting powers and the provisions thereof in respect of the payment of interest shall, as nearly as may be, conform to the foregoing provisions relative to dividends on preferred stock.

(4) *New Common Stock*----- *\$82,839,585

Except as herein otherwise specifically provided, the form and terms of the new First and Refunding Mortgage Bonds and General Mortgage Bonds and of any income bonds which may be issued in accordance herewith, and of the mortgages and indentures under which the same shall be issued, and of any certificate of incorporation or articles of association or consolidation and of any stock certificate or other instrument relating to the preferred and common stock of the New Company, and of any other instruments deemed by the Readjustment Managers to be necessary or proper in connection with the Plan, shall be such as the Readjustment Managers shall in their dis-

* Exclusive of the common stock reserved for issue upon the conversion of preferred stock.

cretion approve. Scrip may be issued and distributed in lieu of fractions of a share of stock or of bonds of any denomination not exceeding \$1,000. Such scrip may be non-interest-bearing, but shall be exchangeable for new securities (or interim certificates therefor) when presented in proper multiples, on terms and conditions approved by the Readjustment Managers. Adjustments of interest in respect of deposited securities and new securities shall be made as hereinafter provided in Article VI of this Plan.

IV

DISPOSITION OF NEW SECURITIES

<i>New First and Refunding Mortgage 5% Bonds:</i>	Per Cent.	Amount
To holders of \$14,904,000 Consolidated First Mortgage 6% Bonds of the Missouri Pacific Company, due November 1, 1920	110	\$16,394,400
To holders of \$14,375,000 Collateral Trust 5% Bonds, due January 1, 1917	100	14,375,000
To holders of \$9,636,000 Collateral Mortgage 5% Bonds, due August 1, 1920	100	9,636,000
To holders of \$4,175,000 First and Refunding Mortgage 6% Bonds of the Iron Mountain Company outstanding, due July 1, 1952	105	4,383,750
To holders of \$393,000 First Consolidated Mortgage 6% Bonds of Little Rock Junction Railway, due April 1, 1916	100	393,000
To holders of \$1,741,000 notes of The Texas and Pacific Railway Company, dated June 1, 1914, endorsed by the Iron Mountain Company	100	1,741,000
Total		\$46,923,150
 <i>New General Mortgage 4% Bonds:</i>		
To holders of \$3,459,000 First Mortgage 4% Bonds of The Central Branch Railway Company, due February 1, 1919, in addition to 50% in new preferred stock....	50	\$ 1,729,500
To holders of \$2,500,000 First Mortgage 4% Bonds of The Central Branch Union Pacific Railway Company, due June 1, 1948, in addition to 50% in new preferred stock.	50	1,250,000
To holders of \$82,839,585 existing stock of the Missouri Pacific Company in the hands of the public, upon making the cash payments of \$50 per share and upon surrender of their existing stock as hereinafter provided	50	41,419,792
Total		44,399,292
Forward		\$91,322,442

Forward.....		\$91,322,442
<i>New Convertible 5% Preferred Stock :</i>		
	Per Cent.	Amount
To holders of \$37,255,000 Forty Year 4% Gold Loan Bonds of the Missouri Pacific Company, due March 1, 1945	100	\$37,255,000
To holders of \$29,806,000 First and Refunding Mortgage 5% Bonds of the Missouri Pacific Company, due September 1, 1959.....	100	29,806,000
To holders of \$650,000 Lexington Division First Mortgage 5% Bonds of the Missouri Pacific Company, due August 1, 1920.....	100	650,000
To holders of \$3,972,000 First Refunding Mortgage 6% Bonds of The Kansas and Colorado Pacific Railway Company, due February 1, 1938.....	100	3,972,000
To holders of \$3,459,000 First Mortgage 4% Bonds of The Central Branch Railway Company, due February 1, 1919, in addition to 50% in new General Mortgage Bonds	50	1,729,500
To holders of \$2,500,000 First Mortgage 4% Bonds of The Central Branch Union Pacific Railway Company, due June 1, 1948, in addition to 50% in new General Mortgage Bonds.....	50	1,250,000
To holders of \$520,000 First Mortgage 5% Bonds of The Leroy and Caney Valley Air Line Railroad Company, due July 1, 1926.....	100	520,000
To holders of \$1,024,000 First Mortgage 5% Bonds of The Kansas City Northwestern Railroad Company, Series A, due January 1, 1933.....	100	1,024,000
To holders of \$500,000 First Mortgage 5% Bonds of Boonville, St. Louis and Southern Railway Company, due August 1, 1951.....	100	500,000
To holders of stock of the Iron Mountain Company in hands of the public	100	45,135
Total.....		76,751,635
<i>New Common Stock :</i>		
To holders of \$82,839,585 existing stock of the Missouri Pacific Company in the hands of the public, upon making the cash payments of \$50 per share and upon surrender of their existing stock as hereinafter provided.....	100	82,839,585
Total amount of new securities		<u>\$250,913,662</u>

V

SCHEDULE OF PARTICIPATION IN DISTRIBUTION OF NEW SECURITIES BY HOLDERS OF EXISTING SECURITIES PARTICIPATING IN THE PLAN

Existing Securities		New First and Refund- ing Mortgage 5% Bonds		New General Mortgage 4% Bonds		New 5% Preferred Stock or 5% Income Bonds	
Amount	Description	Per Cent.	Amount	Per Cent.	Amount	Per Cent.	Amount
\$14,904,000	Missouri Pacific Consolidated First 6s -----	110	\$16,394,400				
\$14,375,000	Missouri Pacific Collateral Trust 5s of 1917 -----	100	14,375,000				
\$9,636,000	Missouri Pacific Collateral Mortgage 5s of 1920 -----	100	9,636,000				
\$37,255,000	Missouri Pacific Gold Loan 4s -----					100	\$37,255,000
\$29,806,000	Missouri Pacific First and Refunding 5s -----					100	29,806,000
\$650,000	Missouri Pacific Lexington Division First 5s -----					100	650,000
\$3,972,000	Kansas & Colorado Pacific 6s -----					100	3,972,000
\$3,459,000	Central Branch 4s -----			50	\$1,729,500	50	1,729,500
\$2,500,000	Central Branch Union Pacific 4s -----			50	1,250,000	50	1,250,000
\$520,000	Leroy and Caney Valley First 5s -----					100	520,000
\$1,024,000	Kansas City Northwestern 5s -----					100	1,024,000
\$500,000	Boonville, St. Louis and South- ern 5s -----					100	500,000
\$4,175,000	Iron Mountain First and Re- funding 6s -----	105	4,383,750				
\$393,000	Little Rock Junction First Consolidated 6s, guaranteed by Iron Mountain Company -----	100	393,000				
\$1,741,000	Texas and Pacific Notes en- dorsed by Iron Mountain Company -----	100	1,741,000				
\$82,839,585	Missouri Pacific Stock out- standing* -----			50	41,419,792		
\$45,135	Iron Mountain Company Stock outstanding -----					100	45,135
	Total -----		\$46,923,150		\$44,399,292		\$76,751,635

The Missouri Pacific Company's Extended Six Per Cent. Notes maturing June 1, 1916, and any unextended notes of said issue, together aggregating \$24,845,000, are to be paid in cash, and provision is also to be made for the payment of the \$3,861,000 of equipment obligations of the Missouri Pacific and Iron Mountain Companies maturing before June 30, 1918.

Interest on deposited securities and on new securities will be adjusted as hereinafter in Article VI provided.

*The holders of stock in the Missouri Pacific Company are entitled to receive \$82,839,585 (100%) of common stock in the New Company, as well as the \$41,419,792 (50%) General Mortgage Bonds above mentioned of the New Company, upon surrender of their existing stock and payment in cash of \$50 per share of existing stock.

VI

ADJUSTMENTS OF INTEREST—PAYMENT AND DISTRIBUTION OF INTEREST ON DEPOSITED SECURITIES

All Depositors of bonds shall be entitled to receive in cash on or before the consummation of the readjustment all semi-annual instalments of interest maturing upon such bonds on or before January 1, 1916. To that end, all such instalments of interest paid by the obligor companies upon deposited bonds shall forthwith be paid over to the Depositors of such bonds. Any of such instalments which shall not be so paid by the obligor companies shall be paid upon or before the consummation of the readjustment out of the moneys provided by this Plan with interest at the rate of six per cent. per annum from the respective due dates of such instalments. Any semi-annual instalments of interest upon deposited bonds maturing after January 1, 1916, which shall be paid by the obligor companies and received by the Depositaries or Sub-Depositaries prior to the date as of which the Plan shall be declared operative, shall forthwith be paid over to the Depositors of such bonds. If, prior to the date as of which the Plan shall be declared operative, the principal of any deposited bonds shall mature (otherwise than by the principal being declared due in advance of the date of maturity specified in the bonds), the Readjustment Managers shall fix the date to which interest shall be paid upon such bonds, and interest on the new bonds issued in exchange therefor shall run from that date. Instalments of interest as aforesaid shall be payable to Depositors only upon presentation of their certificates of deposit to the proper Depositary or Sub-Depositary for the notation of such payment thereon and upon the filing with such Depositary or Sub-Depositary of proper ownership certificates in accordance with the Federal income tax law. All instalments of interest on deposited bonds which mature after the date as of which the Plan is declared operative and are paid by the obligor companies shall be retained and shall constitute part of the general funds to be disposed of under this Plan. Interest on new First and Refunding Mortgage Bonds and General Mortgage Bonds to be issued to Depositors of bonds or notes shall accrue from, or be adjusted as of, the respective dates to which such instalments of interest shall be so paid on such bonds or notes respectively. Interest on new General Mortgage Bonds to be issued to Depositors of Missouri Pacific Company stock shall accrue from, or be adjusted as of, the date or dates when payments shall be made by Depositors in accordance with this Plan.

In case before the Plan is declared operative default shall be made in the payment of interest on any class of deposited bonds, arrangements may be made in the discretion of the Readjustment Managers for the advancement to Depositors of bonds of such class, upon the security of their deposited bonds and coupons, of interest thereon upon presentation of their certificates of deposit to the proper Depositary or Sub-Depositary in order that such advances may be noted thereon. Such advances shall bear interest at the rate of six per cent. per annum until repaid, but if the interest so advanced in respect of any class or classes of bonds shall thereafter be paid by the obligor Companies or any of them, the interest so paid shall be applied toward the repayment of such advances. If this Plan is declared operative repayment of any such advances then remaining unpaid, and of all interest on advances, will be made out of the moneys provided by the Plan, and the respective Depositors will thereupon be released from liability therefor.

VII

COMPARATIVE CAPITALIZATION, FIXED CHARGES AND AVAILABLE INCOME BEFORE AND AFTER READJUSTMENT
(Missouri Pacific and Iron Mountain Statements Consolidated)*Capitalization*

The capitalization of the System will not be increased under the Plan except for (a) new money in excess of the amount to be used in paying existing obligations as above mentioned, (b) premiums aggregating \$1,699,150 on the refunding, into new 5% bonds, of the Consolidated First Mortgage 6% Bonds of the Missouri Pacific Company and the First and Refunding Mortgage 6% Bonds of the Iron Mountain Company, and (c) the acquisition of the \$1,741,000 Texas and Pacific notes endorsed by the Iron Mountain Company.

Reduction in Fixed Interest Bearing Obligations

The readjustment, while securing the cash necessary for present requirements and those of the near future, accomplishes a reduction in fixed interest bearing obligations of.....	\$60,552,558
Average amount per mile of fixed interest bearing obligations:	
Prior to readjustment.....	\$39,996
After readjustment.....	31,357
Decrease per mile.....	\$8,639

Reduction in Charges

Upon the completion of the readjustment the annual fixed interest charges on funded debt as of June 30, 1915, will be reduced by.....	\$3,319,321
Add sundry credits to income and decrease in miscellaneous interest payments resulting from the readjustment.....	261,451
Increasing available Income Balance by.....	\$3,580,772

Income Available for Various Classes of Securities

Based on the fiscal year ended June 30, 1915 (two months estimated) the income available for fixed charges (after payment of rentals, hire of equipment, interest on equipment obligations, etc., and after making certain adjustments resulting from the new capitalization), would be about.....	*\$12,000,000
Deduct interest on obligations undisturbed by readjustment.....	5,504,357
Balance applicable to interest on new First and Refunding Mortgage 5% Bonds.....	\$6,495,643
Deduct interest on \$46,923,150 of such Bonds to be issued under Plan.....	2,346,158
Balance available for interest on new General Mortgage 4% Bonds.....	\$4,149,485
Deduct interest on \$44,399,292 of such Bonds to be issued under Plan.....	1,775,971
Balance (over 3% on \$76,751,635 of Preferred Stock to be issued under Plan)	\$2,373,514

These statements take no account of increased earnings reasonably to be expected from the expenditure of the new money for equipment, improvements and other corporate purposes.

* The corresponding amount based on the fiscal year ended June 30, 1914, would be \$12,991,228. The decrease for the year ended June 30, 1915, is due chiefly to a new and additional charge of \$1,000,000 for depreciation of equipment for the year. While the gross operating revenues of the Iron Mountain lines for 1915 fell off \$3,104,000, this was partially set off by an increase of \$1,456,000 in the gross operating revenues of the Missouri Pacific lines proper.

VIII

VOTING TRUST

In connection with the readjustment provided for in this Plan, the Readjustment Managers may in their discretion cause an agreement to be executed under which a bank or trust company shall act as depositary, providing for the deposit thereunder of the stock (common or preferred or both, as the agreement may provide) of the New Company and vesting the voting power in respect of such stock in Voting Trustees thereby constituted for a period of not exceeding five years. The Voting Trustees to be named in any such agreement shall be persons approved by the three Committees respectively representing Five Per Cent. Refunding Bonds, Four Per Cent. Gold Loan Bonds and Stock of the Missouri Pacific Company and by the Readjustment Managers.

IX

BOARD OF DIRECTORS

In case the readjustment shall be effected through the organization of one or more new companies, the first Board or Boards of Directors of such company or companies shall consist of persons approved by Alexander J. Hemphill, Otto H. Kahn, Seward Prosser, James N. Wallace and Robert Winsor, who constituted the Proxy Committee for the last annual meeting of the stockholders of the Missouri Pacific Company, or by a majority of them, and by the Readjustment Managers.

X

METHODS OF PARTICIPATION IN PLAN

The holders of securities entitled to participate in the Plan may assent thereto and become parties to the annexed Agreement of Readjustment in the following manner:

(1) Holders of **Five Per Cent. Refunding Bonds** must deposit their bonds (in the case of coupon bonds, with the September 1, 1915, and all subsequent coupons attached) with **Guaranty Trust Company of New York**, at its office in the City of New York, or with one of the Sub-Depositaries for such bonds. Bonds registered as to principal must be restored to bearer form before deposit, and registered bonds must be exchanged for coupon bonds or registered in the name of Guaranty Trust Company of New York.

(2) Holders of **Four Per Cent. Gold Loan Bonds** must deposit their bonds (in the case of coupon bonds, with the September 1, 1915, and all subsequent coupons attached) with **Bankers Trust Company**, at its office in the City of New York, or with one of the Sub-Depositaries for such bonds. Bonds registered as to principal must be restored to bearer form before deposit, and registered bonds must be exchanged for coupon bonds or registered in the name of Bankers Trust Company.

(3) Holders of **stock** must deposit the certificates representing their shares with **Central Trust Company of New York**, at its office in the City of New York, or with one of the Sub-Depositaries for stock. Certificates of stock to be deposited must be duly endorsed in blank for transfer, or accompanied by proper instruments of transfer in blank, in either case duly stamped.

(4) Holders of **other securities** entitled to participate in the Plan must deposit the same (in the case of securities bearing coupons, with all unpaid coupons attached), with **Guaranty Trust Company of New York**, at its office in the City of New York, or with one of the Sub-Depositaries for such securities. Bonds and notes registered as to principal must be restored to bearer form before deposit, and registered bonds must be exchanged for coupon bonds or registered in the name of Guaranty Trust Company of New York.

The Depositaries and Sub-Depositaries shall issue or cause to be issued transferable certificates of deposit for all securities deposited hereunder, and every holder of such a certificate of deposit shall be bound by the provisions of this Plan and of the Agreement of Readjustment.

The Readjustment Managers may limit or extend the time for the deposit hereunder of any or all issues of securities and may impose conditions in respect of any such deposits, as provided in the Agreement.

XI

PROVISIONS FOR DECLARING PLAN OPERATIVE

The Readjustment Managers in their absolute discretion may determine whether and when a sufficient amount of the securities of the various classes shall have been deposited hereunder to render it advisable to declare the Plan operative. They may declare this Plan operative as to all classes of securities for which provision is made in the Plan or only as to certain classes of such securities, provided that the Five Per Cent. Refunding Bonds, the Four Per Cent. Gold Loan Bonds and the Stock of the Missouri Pacific Company which shall have been deposited hereunder shall be among the securities as to which the Plan is declared operative. In case the securities of any class or classes shall be excluded from the readjustment, the deposited securities of such class or classes shall, subject to the provisions in that behalf contained in the Agreement, be returned without charge or payment to the holders of the certificates of deposit representing the same, upon due surrender of such certificates to the proper Depositary or Sub-Depositary.

In case the Readjustment Managers shall declare the Plan operative as to the deposited securities of any classes as aforesaid, they shall thereupon publish notice to that effect at least twice a week for four successive weeks in at least two newspapers of general circulation published in the City of New York and in such additional newspapers in New York or elsewhere, if any, as the Readjustment Managers shall determine. If the Readjustment Managers shall not have begun the publication of such notice on or before June 1, 1916, or such later date as the two Bondholders' Committees and the Stockholders' Committee herein mentioned may from time to time approve, holders of certificates of deposit for securities deposited hereunder shall be entitled to withdraw the securities represented thereby from deposit hereunder within the time and upon the terms and conditions set forth in the annexed Agreement.

After the Plan shall have been declared operative, thirty days notice shall be given as in the Agreement of Readjustment provided, to Depositors of Missouri Pacific Company stock, of the date fixed by the Readjustment Managers on or before which the payments required under this Plan from such Depositors shall be due. Such Depositors may either make such payments in full or, at their option, pay twenty-five per cent. thereof on or before the date specified in said notice, and the remaining seventy-five per cent. thereof three months thereafter, such deferred payments to carry interest at the rate of six per cent. per annum and to be secured by the bonds and shares of common stock of the New Company to which such Depositors would be entitled on making their payments in full. Any Depositor defaulting in any payment required by the Plan will, unless the Readjustment Managers shall otherwise determine in any particular instance or instances, forfeit any securities of the New Company and any other benefits to which he would otherwise be entitled. The Readjustment Managers, in their discretion, may in general or in particular instances from time to time enlarge or extend the time for making any deposits or payments required by the Plan and impose conditions in respect of any such deposits or payments.

XII

MODIFICATIONS OF PLAN

The Readjustment Managers may modify the Plan or adopt a substitute plan as in the Agreement of Readjustment provided. They may make such modifications or adopt a substitute plan in their sole discretion, provided that in the judgment of the Readjustment Managers or under the provisions of the Readjustment Agreement the proposed modification or substitute plan shall not be deemed adversely to affect to a material degree the interests of the Depositors of Stock, Five Per Cent. Refunding Bonds or Four Per Cent. Gold Loan Bonds of the Missouri Pacific Company or of any other class or classes of securities to be embraced in the modified or substitute plan. Otherwise they shall, and in any case they may, file with the Depositaries a statement of the modifications or of the substitute plan, as the case may be, and publish, twice a week for four successive weeks, in the manner provided in the Agreement of Readjustment, a notice to that effect specifying the class or classes of securities which, in the opinion of the Readjustment Managers, are adversely affected as aforesaid by the proposed modifications or substitute plan. Within thirty days after the first publication of such notice the holders of certificates of deposit for the securities so affected, as specified in such notice, may withdraw from deposit hereunder the securities represented by such certificates of deposit, or their proceeds, in the manner and upon the conditions specified in the Agreement of Readjustment, which limits the aggregate amount which withdrawing Depositors may be required to pay toward the compensation and expenses of the Committees and of the Readjustment Managers to one per cent. of the par amount of the securities withdrawn. All Depositors of the securities of any class embraced in the modified or substitute plan who do not so withdraw the securities represented by their respective certificates of deposit shall be deemed to have assented to, and shall be bound by, such modified or substitute plan.

XIII

COMMITTEES

This Plan has been approved by the three Committees who are parties to the Agreement of Readjustment, respectively formed to represent (a) Five Per Cent. Refunding Bonds, (b) Four Per Cent. Gold Loan Bonds, and (c) stock, of the Missouri Pacific Company. In case at any time the Readjustment Managers shall be of the opinion that the holders of deposited bonds of any other class should be represented by a Committee, they may request a trustee of the mortgage or trust indenture under which such bonds were issued to designate a Committee of not less than three persons to represent the holders of such bonds. If such trustee shall not make such designation within ten days after receiving such request, or if there be no trustee upon whom such request can be made, the Depository for such bonds shall make the designation. Upon the filing in the office of the Depository for such bonds of a certificate of such designation, and of the written acceptance by the Committee so designated it shall become and be a party to said Agreement and shall thereafter represent said bonds and in respect thereof shall have, except as herein and in said Agreement otherwise provided, the same powers, title and authority and be subject to the same duties as are conferred and imposed by this Plan and Agreement upon the other Committees in respect of the securities which they respectively represent.

XIV

READJUSTMENT MANAGERS, SYNDICATES, ETC.

The Readjustment Managers in their discretion may form or cause to be formed one or more syndicates to underwrite the cash requirements of this Plan, or of any modified or substitute plan, or the participation therein of any class or classes of security holders, or to provide the cash required to make any purchase of existing securities which the Readjustment Managers may deem advisable or to provide the cash payable to any holders of securities upon any sale of mortgaged or pledged property, or for any or all of such purposes. The Readjustment Managers and the members of any of the Committees and the Depositaries and Sub-Depositaries may be managers of any such syndicate, may be participants therein and may participate in any compensation, commission, profit or other benefit accruing to such syndicate or in connection with the formation or management thereof. The Readjustment Managers, the members of the Committees and the Depositaries and Sub-Depositaries shall be entitled to compensation. The compensation of the Committees, the Readjustment Managers, the managers of any syndicates and others entitled to compensation hereunder shall be fixed in the manner provided in the Agreement of Readjustment.

XV

STATEMENTS CONTAINED IN PLAN—DEFINITIONS

The statements contained in this Plan and in the introductory statement have been compiled from sources believed to be reliable. Certain of them are necessarily approximate and none are to be considered as representations. The statements respecting the financial position of the New Company and the new securities are for convenience based upon the assumption that all of the securities of each class dealt with by the Plan shall become subject thereto. They do not take into account the changes which would result in case any of said securities should not become subject to the Plan, nor such additional securities, if any, as may be required in connection with the organization and compensation of syndicates. Reference is hereby made to the statement preceding this Plan defining the meaning of various terms when used in this Plan and in the Agreement and in the introductory statement thereto.

XVI

AGREEMENT OF READJUSTMENT

In order to carry out, and give effect to, this Plan, the annexed Agreement of Readjustment has been executed by the Readjustment Managers, by members of each of said three Committees and by the Depositaries and an original will be lodged with each Depositary. Every Depositor assenting to the Plan thereby becomes a party to said Agreement, the provisions of which shall govern in case of conflict between the Plan and the Agreement.

AGREEMENT OF READJUSTMENT

Agreement dated this first day of July, 1915, by and between the following parties:

KUHN, LOEB & Co. (hereinafter called the Readjustment Managers), parties of the first part;

ALEXANDER J. HEMPHILL, ROBERT FLEMING, DONALD G. GEDDES, JEROME J. HANAUER, ALVIN W. KRECH and C. E. TERMEULEN, constituted as a Committee to represent Holders of Five Per Cent. First and Refunding Mortgage Fifty-Year Gold Bonds of The Missouri Pacific Railway Company (hereinafter called the Refunding Committee),

FRANK N. B. CLOSE, OTTO H. KAHN, JOHN H. MCCLEMENT, JOHN W. PLATTEN, J. G. SIEGERS and W. H. WILLIAMS, constituted as a Committee to represent Holders of Forty Year Four Per Cent. Gold Loan Bonds of 1905 of said Railway Company (hereinafter called the Gold Loan Committee), and

JAMES N. WALLACE, J. HORACE HARDING, FREDERICK STRAUSS, ALBERT H. WIGGIN and ROBERT WINSOR, constituted as a Committee to represent Holders of Stock of said Railway Company (hereinafter called the Stockholders' Committee), said three Committees being hereinafter collectively called the Committees,

parties of the second part;

BANKERS TRUST COMPANY, Depositary for such Gold Loan Bonds,

CENTRAL TRUST COMPANY OF NEW YORK, Depositary for such Stock, and

GUARANTY TRUST COMPANY OF NEW YORK, Depositary for such First and Refunding Mortgage Bonds and for other securities hereinafter mentioned (said three Trust Companies being hereinafter collectively called the Depositaries),

parties of the third part; and

HOLDERS OF THE BONDS, NOTES AND STOCK HEREINAFTER MENTIONED WHO SHALL BECOME PARTIES HERETO IN THE MANNER HEREINAFTER PROVIDED (hereinafter called the Depositors), parties of the fourth part.

WHEREAS the Readjustment Managers, the Boards of Directors of The Missouri Pacific Railway Company (hereinafter called the Missouri Pacific Company) and of St. Louis, Iron Mountain and Southern Railway Company (hereinafter called the Iron Mountain Company) and the Committees have approved the foregoing Plan of Readjustment of Capital and Debt (hereinafter called the Plan) of the Missouri Pacific and Iron Mountain Companies, and the Committees and the Depositors desire that the Plan be carried into effect by the Readjustment Managers in their discretion; and the Readjustment Managers, at the request of said Boards of Directors, have consented to represent all Depositors hereunder of securities other than the Five Per Cent. Refunding Bonds, the Four Per Cent. Gold Loan Bonds and the Stock of the Missouri Pacific Company, unless and until, in respect of any class of such other securities, a Committee shall have been designated to represent the same hereunder;

NOW, THEREFORE, in consideration of the premises, and of the mutual benefits to be derived from union of interests and concert of action, and of the conditions and promises herein contained, and for other valuable considerations, it is agreed by the parties, and each Depositor has agreed

and hereby does agree with each of the other Depositors and with the Committees and the Readjustment Managers, as follows :

FIRST. The Depositors jointly and severally hereby assent to, and accept, all the provisions of the Plan, and the same is hereby approved and adopted and is and shall be taken to be a part of this Agreement with the same effect as if each and every provision thereof had been embodied herein, and the Plan and this Agreement shall be read as parts of one and the same instrument; and every Depositor assenting to either shall be bound by both. The provisions of this Agreement shall govern in case of conflict between the Plan and this Agreement.

A counterpart original of this Agreement, executed by the Readjustment Managers, the Depositaries and one or more members of each of the Committees, shall be lodged with each of the Depositaries, and a copy shall be lodged with each of the Sub-Depositaries hereinafter designated, and with every Depository or Sub-Depository which may be appointed as hereinafter provided. Each of said originals shall be deemed to be a complete and original instrument, but all together shall constitute one agreement. Such of the members of the said Committees as do not join in the execution of the said originals shall within thirty days from the date hereof execute and file with the proper Depository a written acceptance of the provisions hereof. This Agreement shall be deemed to be, and shall be construed as, a contract governed by the laws of the State of New York.

SECOND. The following bonds, notes and stock may be deposited under the Plan and this Agreement on the terms stated herein and in the Plan :

The Missouri Pacific Railway Company's

Consolidated First Mortgage Six Per Cent. Bonds, due November 1, 1920,
Trust Five Per Cent. Bonds, due January 1, 1917,
First Collateral Mortgage Five Per Cent. Bonds, due August 1, 1920,
Forty Year Four Per Cent. Gold Loan Bonds of 1905, due March 1, 1945,
Five Per Cent. First and Refunding Mortgage Fifty-Year Gold Bonds, due
September 1, 1959,
Lexington Division Five Per Cent. First Mortgage Bonds, due August 1, 1920,
and
Stock.

St. Louis, Iron Mountain and Southern Railway Company's

First and Refunding Mortgage Six Per Cent. Forty-Year Gold Bonds, due
July 1, 1952, and
Stock.

The Texas and Pacific Railway Company's

Notes dated June 1, 1914, endorsed by the Iron Mountain Company.

The Kansas and Colorado Pacific Railway Company's

First Refunding Mortgage Thirty-Year Six Per Cent. Gold Bonds, due February 1, 1938.

The Central Branch Railway Company's

First Mortgage Four Per Cent. Gold Bonds, due February 1, 1919.

The Central Branch Union Pacific Railway Company's

First Mortgage Four Per Cent. Gold Bonds, due June 1, 1948.

The Leroy and Caney Valley Air Line Railroad Company's

Five Per Cent. First Mortgage Bonds, due July 1, 1926.

The Kansas City Northwestern Railroad Company's

First Mortgage Five Per Cent. Gold Bonds, Series A, due January 1, 1933.

Boonville, St. Louis and Southern Railway Company's

First Mortgage Forty-Year Five Per Cent. Gold Bonds, due August 1, 1951.

Little Rock Junction Railway's

First Consolidated Mortgage Six Per Cent. Bonds, due April 1, 1916.

THIRD. Guaranty Trust Company of New York shall be Depositary for the Five Per Cent. Refunding Bonds. Bankers Trust Company shall be Depositary for the Four Per Cent. Gold Loan Bonds. Central Trust Company of New York shall be Depositary for stock of the Missouri Pacific Company and for stock of the Iron Mountain Company. Guaranty Trust Company of New York shall be Depositary for all other securities entitled to participate in and be deposited under the Plan and this Agreement. Mercantile Trust Company, St. Louis, Missouri, and Guaranty Trust Company of New York, London, are hereby appointed Sub-Depositaries for said two cities for the deposit of all classes of securities which may be deposited under the Plan. Any of the Depositaries may appoint additional Sub-Depositaries or agents for other cities in the United States and Europe.

Holders of bonds and notes must deposit the same (in the case of coupon bonds, with coupons attached as provided in the Plan) with the respective Depositaries or with one of the Sub-Depositaries for such bonds or notes, **on or before August 16, 1915**, or such later date as the Readjustment Managers may from time to time determine as hereinafter provided. Bonds registered as to principal must be restored to bearer form before deposit, and registered bonds must be exchanged for coupon bonds or registered in the name of the Depositary for such bonds. Holders of stock of the Missouri Pacific and Iron Mountain Companies must deposit the certificates representing their shares with Central Trust Company of New York, Depositary therefor as aforesaid, or with one of the Sub-Depositaries for such stock, **on or before August 16, 1915**, or such later date as the Readjustment Managers may from time to time determine as hereinafter provided. Certificates of stock to be deposited must be duly endorsed in blank for transfer or accompanied by proper instruments of transfer in blank, in either case duly stamped. The Depositors respectively agree at any time on demand of the respective Committees or the Readjustment Managers, as the case may be, to execute any and all other transfers, assignments, authorizations, powers or writings required for vesting the ownership of the securities represented by the certificates of deposit or otherwise subject hereto in the respective Committees or the Readjustment Managers, as the case may be, or their respective nominees.

Such holders of securities shall by such delivery thereof to the respective Depositaries or Sub-Depositaries, be deemed to have deposited said securities under the Plan and this Agreement, and shall receive therefor certificates of deposit issued by such Depositaries or Sub-Depositaries in such forms as may be prescribed by the Readjustment Managers. Holders and recipients from time to time of certificates of deposit for securities so deposited shall be irrevocably bound and concluded by the Plan and this Agreement and the terms thereof, and be conclusively and finally deemed for all purposes to have assented to the same and to have conferred the powers in the Plan and in this Agreement mentioned upon the Committees and the Readjustment Managers, respectively; and the rights of all holders from time to time of certificates of deposit issued under this Agreement shall be such only as are conferred by the Plan and this Agreement and shall be subject to compliance with such terms as the Plan and this Agreement may impose as conditions of participation in the benefits hereof. By accepting or holding any certificate of deposit issued by any Depositary or Sub-Depositary or transferred as hereinafter provided every recipient or holder thereof shall thereby become a party to the Plan and to this Agreement, with the same force and effect as if he had actually executed the same.

The Readjustment Managers may cause to be listed upon the New York Stock Exchange or elsewhere, any or all of the certificates of deposit issued under the Plan and this Agreement and any or all of the new securities the creation or issue of which is contemplated by the Plan.

The certificates of deposit issued hereunder and the interests represented thereby and all rights by virtue thereof, shall be transferable only subject to the terms and conditions of the Plan and this Agreement and in such manner and on such conditions as the Readjustment Managers or the respective Committees, as the case may be, shall approve. Upon any such transfer all rights of the transferrer under the Plan and this Agreement and in respect of the deposited securities

represented by the certificate of deposit transferred, and in respect of any and all instalments of money paid in respect of such securities, and all rights under such certificate of deposit, shall be and become vested in and shall pass to the transferee, and all rights of the transferor under such certificate of deposit or otherwise in respect of such securities or moneys or under the Plan and this Agreement shall forthwith cease and determine and such transferee shall, for all purposes, be substituted in place of the transferor, subject to this Agreement. All such transferees, as well as the original holders of certificates of deposit hereunder, shall be embraced by the term Depositor whenever used herein or in the Plan.

The term "Depositors" whenever used, is intended and shall be construed to include partnerships, associations, joint stock companies and corporations, whether acting in their own right or as trustees, guardians, committees or agents, and all persons or others acting in a representative or fiduciary character and those represented by or claiming under them.

The certificates of deposit may be treated by the Readjustment Managers, the Committees, the Depositaries and the Sub-Depositaries as negotiable instruments, and the holders for the time being, or, if registered, the registered holders for the time being, may be deemed to be the absolute owners thereof, and of all rights of the original holders of said certificates of deposit, and neither the Readjustment Managers, the Committees, the Depositaries nor the Sub-Depositaries, nor any of them, shall be affected by any notice to the contrary.

Upon compliance with all the terms and conditions of the Plan and of this Agreement, including payment of such sums of money, if any, as may be required thereby or pursuant thereto, Depositors shall be entitled to receive upon the consummation of the Plan and upon surrender of their certificates of deposit in negotiable form, the new securities (but only as and when issued and ready for delivery) to which they shall respectively be entitled pursuant to the terms and provisions of the Plan and of this Agreement.

Holders of securities who do not deposit the same in the manner herein provided, and within the periods limited or fixed therefor, will not be entitled to deposit their securities or become parties to this Agreement or to share in the benefits of the Plan or of this Agreement, and shall acquire no rights hereunder, except upon obtaining an express written consent of the Readjustment Managers. And the Readjustment Managers are hereby authorized and empowered in their absolute discretion, and in general or in particular instances, from time to time, and upon such terms and conditions as they may see fit, to withhold or give such consent and to enlarge or extend the time for making any deposits required by the Plan and this Agreement and to admit as parties to, and to participation in, the Plan and this Agreement, as Depositors hereunder, the holders of any of the securities mentioned in the Plan as entitled to participate therein, in such manner and upon such terms and conditions as the Readjustment Managers shall fix and determine, and in like manner to permit the holders of such securities to become parties hereto, without the actual deposit of securities; and all security holders so becoming parties shall be embraced within the term Depositors whenever used in this Agreement. The Readjustment Managers in like manner and with like effect may authorize the acceptance for deposit hereunder of bonds without such interest coupons appertaining thereto as they may specify, and also may authorize the acceptance for deposit hereunder of such interest coupons without the bonds to which they appertain.

FOURTH. Holders of certificates of deposit issued hereunder in respect of certificates of stock of the Missouri Pacific Company must pay to the Readjustment Managers, as and when in this Article provided, at the office of Central Trust Company of New York, in the City of New York, in New York funds, or at the office of Mercantile Trust Company, St. Louis, Missouri, in New York funds, or at the office of Guaranty Trust Company of New York, in the City of London, England, in Sterling at the values of exchange to be fixed from time to time by the Readjustment Managers, or at the offices of such other Sub-Depositaries and at such other places and in such manner as the Readjustment Managers shall approve, fifty dollars (\$50), as provided in the Plan, in respect of each share of stock represented by their respective certificates of deposit and must accompany such payments by presentation

of such certificates of deposit for appropriate notation thereon. If and when the Plan shall have been declared operative, as hereinafter provided, thirty days notice shall be given by the Readjustment Managers, in the manner provided in Article Eighteenth hereof, to the Depositors of such certificates of stock of a date to be fixed by the Readjustment Managers on or before which the payment above mentioned shall be due. Holders of such certificates of deposit for stock may either make such payments in full or at their option, respectively, pay twenty-five per cent. thereof on or before the date specified in said notice and the remaining seventy-five per cent. thereof three months thereafter, such deferred payments to carry interest at the rate of six per cent. per annum and to be secured by the stock deposited and by the securities of the New Company to which the holders of such certificates of deposit would be entitled on making their payments in full. Each payment shall be receipted for by the Depositary or Sub-Depositary by appropriate notation on the certificates of deposit issued for the deposited stock in respect of which such payments are made, upon presentation of such certificates of deposit as aforesaid.

All holders of certificates of deposit issued under the Plan and this Agreement in respect of stock of the Missouri Pacific Company severally and respectively agree, on behalf of themselves and of their respective transferees and assigns, that prompt payment of the cash which under the terms of the Plan and of this Agreement is required to be paid in order to entitle such holders to the General Mortgage Four Per Cent. Bonds and shares of stock of the New Company mentioned in the Plan, is an essential condition to the acquisition by them respectively of such bonds and shares of stock, and that any holder of such a certificate of deposit who shall fail to make prompt payment of said cash or any instalment thereof, payable as provided in the Plan or in this Agreement, on or before such date as shall be fixed or limited for such payment pursuant to the Plan and this Agreement or by any enlargements or extensions of time permitted by the Readjustment Managers, shall forthwith and without further or other notice or action cease to have any right to acquire such bonds and shares of stock of the New Company, which, pursuant to the provisions of the Plan and this Agreement, such holder might have acquired, and shall cease to have any rights in the shares of stock deposited and represented by his certificate of deposit, or their proceeds, or under such certificate of deposit, and shall cease to be entitled to any rights or benefits under the Plan or under this Agreement, and no such holder nor his successors in interest shall be entitled to the return of the shares of stock deposited and represented by his certificate of deposit or to the repayment of any cash theretofore paid hereunder in respect of said shares, or to have any further interest or right in or in respect thereof or under this Agreement, and such shares of stock shall be forfeited and pass to, and the ownership thereof shall vest in, the Readjustment Managers, their successors or assigns, or any such person, association, firm, corporation or syndicate as the Readjustment Managers in their discretion may determine, and they may use and transfer said shares for any purpose deemed by them useful or appropriate for carrying out the Plan and this Agreement, and any cash paid in respect of said shares as above provided, prior to the date of any such default shall belong to and be applied for the account of the Readjustment Managers for the purposes of the Plan. For payments made upon said shares of stock by the Readjustment Managers or such other person, association, firm, corporation or syndicate, General Mortgage Four Per Cent. Bonds and shares of stock of the New Company shall be issued to the Readjustment Managers or such other person, firm, corporation or syndicate, as in the case of other payments made by depositing stockholders. The Readjustment Managers, however, in their absolute and uncontrolled discretion may in general or in particular instances from time to time enlarge or extend the time for making any payments required by the Plan and this Agreement, may waive any such default, and may accept payment of cash from any Depositor at any time overdue and with or without the imposition of such terms and conditions as they may prescribe.

FIFTH. Each of the Committees and the Readjustment Managers are hereby severally vested under the terms of this Agreement, as trustees of an express trust, with the legal title to all securities of the class or classes represented by it or them respectively as aforesaid which

may be deposited hereunder and the Depositors hereby assign and transfer the same to the Committees and the Readjustment Managers respectively. Every holder of a certificate of deposit issued hereunder, for himself and not for any other, does hereby sell, assign, transfer and set over unto the Committee or the Readjustment Managers, as the case may be, representing the securities mentioned therein, and to its or their respective successors and assigns, the securities deposited hereunder and mentioned in said certificate of deposit; and every Depositor hereby agrees that such Committee or the Readjustment Managers, as the case may be, shall be and hereby are vested with all rights and powers of complete ownership of such securities and of any other securities or other property at any time acquired hereunder by it or them respectively. Each of the Committees in respect of the securities represented by it and the Readjustment Managers in respect of the securities represented by them shall, subject to the provisions of Article Sixth hereof, have the following powers:

To take or institute or cause to be taken or instituted such actions or proceedings, legal or otherwise, give such directions, execute such papers and do or cause to be done such acts as such Committee or the Readjustment Managers, respectively, may consider judicious to enforce any security for, or procure the payment of, any deposited securities represented by it or them or otherwise to protect the rights and interests of the Depositors so represented, or for any of the purposes of this Agreement; to procure or consent to any corporate action by the Missouri Pacific Company, the Iron Mountain Company or either of them or any other corporation subsidiary to or affiliated with either of them, or in which either of them may be interested; to sign and file any written consent or instrument required or permitted by law to be signed; to demand, receive and collect all amounts that may be due and owing on or payable in respect of any such deposited securities, and whether for interest, principal, dividends or otherwise; to elect, or request and cause any trustee or trustees under any mortgage or trust indenture securing the payment of any bonds deposited hereunder and represented by such Committee or by the Readjustment Managers respectively to elect, to have the principal of any bonds or other obligations become due and payable, and at pleasure to revoke or withdraw such election or cause the same to be revoked or withdrawn; to request, direct or instruct any trustee or trustees of any such mortgage or trust indenture to prosecute foreclosure or to take other proceedings for the enforcement thereof or otherwise, or for the enforcement of any such bonds, or to exercise the powers or any of them, conferred by such mortgage or trust indenture or any indenture supplemental thereto, and to confirm and give to such trustee or trustees all such powers as in the judgment of such Committee or the Readjustment Managers may be necessary or advantageous in carrying out the Plan; to make all such other requests, directions, instructions, or demands upon any such trustee or trustees or otherwise as such Committee or the Readjustment Managers, as the case may be, may deem proper; to call or waive notice of, and to attend, any meeting or meetings of bondholders, creditors or stockholders, however convened, and either in person or by proxy to exercise any power to vote in respect of such securities or any of them at all meetings for anything whatsoever authorized by, or deemed by such Committee or the Readjustment Managers necessary or helpful to effectuate or carry out, the Plan and this Agreement or any modification thereof or substitute plan; to possess and exercise each and every right, power and privilege conferred upon the holders of any deposited bonds represented by it or them, respectively, under the mortgage or trust indenture securing the same or any indentures supplemental thereto; to compromise or settle any suit, action or legal proceeding now pending or hereafter commenced or threatened, in any wise affecting the deposited securities, or any of them, or the property of the Missouri Pacific Company or the Iron Mountain Company or any corporation subsidiary to or affiliated with either of them or in which either of them may be interested; to enter into any agreement or arrangement for decrees or orders for facilitating or hastening the course of litigation, or tending towards, or deemed by such Committee or the Readjustment Managers in their discretion likely to promote, the consummation of the Plan; to become parties to, or exercise control over, all proceedings, legal

or otherwise, now pending or hereafter instituted in which Depositors or holders of securities of any class or classes represented by it or them respectively are or may be interested, including the right to apply for or consent to the appointment of a receiver or receivers of the Missouri Pacific Company or the Iron Mountain Company or any corporation subsidiary to or affiliated with either of them or in which either of them may be interested, or of the property of any such Company or other corporation, or to apply for or consent to the removal of any receiver or receivers and the substitution of one or more other receivers, or the termination of any receivership and the delivery of property to its owners; to consent to the issue and sale of receivers' certificates or other obligations, and to the securing of any receivers' certificates so issued by liens or charges upon any or all of the property of said Companies or other corporations, whether or not subject to any mortgage or mortgages or trust indenture or trust indentures securing the payment of any deposited bonds, and whether or not prior to the lien thereof; to transfer deposited securities or cause the same to be transferred into the names of such Committee or of the Readjustment Managers, as the case may be, or of its or their nominees; to execute bonds or agreements of indemnity or other bonds on behalf of the deposited securities represented by it or them respectively and to charge such securities therewith; in any manner to purchase or sell at such price or prices as such Committee or the Readjustment Managers may deem proper, and to contract or enter into compromises or settlements in regard to, deal in, acquire or dispose of, any property, securities, claims or obligations subject to any mortgage or mortgages or trust indenture or trust indentures securing the payment of any deposited bonds represented by it or them respectively or in which the Missouri Pacific Company or the Iron Mountain Company or any such other corporation may have any interest, direct or indirect, or any property, securities, claims or obligations of or against the Missouri Pacific Company, the Iron Mountain Company or any such other corporation, or any receivers' certificates or obligations issued or liabilities incurred by receivers, and, in general, any property, securities, claims or obligations which such Committee or the Readjustment Managers, as the case may be, may deem important or advisable to be so dealt with for the interest of such Depositors; to make payment therefor or in respect thereof, or to pay or discharge any such securities, claims or obligations, or any receivers' certificates or obligations or liabilities; to pay or cause the New Company to pay the expenses of any listing of certificates of deposit issued hereunder or of new securities upon the New York Stock Exchange or elsewhere, and any taxes, fees or charges in connection therewith, or any taxes, fees or charges imposed by any public authority wherever situated in respect of the authorization, creation, issue or distribution of all or any of the new securities or otherwise; to pay or discharge any taxes, fees or governmental charges necessary or proper for or in connection with the deposit, assignment or transfer hereunder, or in pursuance hereof, of any securities represented by it or them, respectively; to borrow money for any of the purposes of the Plan or of this Agreement, and to charge or pledge the deposited securities represented by it or them respectively and any property purchased or otherwise held hereunder, and any new securities, or any class of such deposited or new securities or property, or any part thereof, in such manner and to such extent as the Readjustment Managers may deem advisable and equitable as among such classes of securities, for the payment of any moneys borrowed or indebtedness or liability incurred, or to secure any bonds or agreements executed as hereinbefore provided; in case of any such borrowing, whether upon pledge or not, to give to the lender the promissory note or notes of such Committees and of the Readjustment Managers, or any of them (signed on behalf of any such Committee by its Chairman or otherwise as may be authorized by such Committee), for the sums borrowed; to direct in writing the Depositary or Sub-Depositary for any securities represented by such Committee or by the Readjustment Managers, as the case may be, to hold the securities deposited with it and any other property, or any designated part thereof, as security for the repayment of any moneys advanced or to be advanced in accordance with this Agreement, in which case such securities and other property shall be, and

shall be held by such Depositary or any Sub-Depositary as, security for such advances with the same effect as if they were actually deposited with the person making such advances as security for the payment thereof; and, generally, in the exercise of the powers of such Committee or of the Readjustment Managers, respectively, under any of the provisions hereof, to use and do everything in respect of such securities, and to use any funds or property at any time subject to its or their control, and, in respect of any property or securities purchased or acquired as above provided, to exercise all rights of ownership, including voting rights, as fully and to the same extent as the owner or holder thereof; to do whatever in the judgment of such Committee or the Readjustment Managers may be expedient to promote or procure the sale as an entirety of the property and franchises of the Missouri Pacific Company and the Iron Mountain Company and of any corporation subsidiary to or affiliated with either of them or in which either of them may be interested, or separate sales of portions of such property and franchises; to adjourn or procure or consent to the adjournment of any sale of any property or franchises, or any portion or parcel thereof; to bid or refrain from bidding, or to cause any one else to bid, at any sale, either public or private, either in separate parcels or as a whole, for any property or franchises, or any part thereof, whether or not owned, controlled or covered by or held directly or indirectly as security or in trust for the benefit of the deposited securities, or any of them, including or excluding any particular rolling stock or other property, real or personal, and, at, before or after any sale, to arrange and agree for the resale of all or any portion of the property or franchises which such Committee or the Readjustment Managers may desire to sell; to hold any property or franchise purchased by or for it or them, in its or their names or in the name or names of any person or persons, firm or firms, corporation or corporations, approved by it or them, for the purposes of the Plan and of this Agreement, and to apply or cause to be applied any or all the deposited securities represented by it or them, respectively, or any cash or other property at any time held by or subject to the control of such Committee or the Readjustment Managers, on account of or in satisfaction of any bid, whether made by it or them or by any person, firm or corporation approved by it or them, or towards obtaining funds for any payment on account or in satisfaction of any such bid; and to exercise absolute discretion with respect to the amount, if any, to be bid or paid by such Committee or the Readjustment Managers, as the case may be, or by their authority, for any property or franchise, and, in case of a sale to others of any property or franchise, or otherwise, to receive, in its or their discretion, out of the proceeds of such sale or otherwise, any dividend in any form accruing on any of the deposited securities represented by, or on any property held by, such Committee or the Readjustment Managers.

Anything which anywhere in the Plan or in this Agreement such Committee or the Readjustment Managers are authorized to do or allow to be done, it or they may do or allow to be done by or through such agents or agencies as it or they may determine, or by or through others, with its or their approval, consent or acquiescence, or by contracting therefor with any person, firm or corporation. Such Committee or the Readjustment Managers may sell, assign, transfer and deliver all or any of the deposited securities represented by it or them respectively, and may enter into any such contract or contracts with any person, firm or corporation, as the Readjustment Managers shall deem proper for the purposes of the Plan and this Agreement. Without limiting the foregoing provisions, the Readjustment Managers may negotiate and contract with any persons, firms, corporations or associations for the acquisition of property or equipment for use in the operation of the railroads or property which it is contemplated shall be acquired by the company or companies to be formed or utilized for the purpose of carrying out the Plan and this Agreement, or for obtaining, continuing or granting trackage rights, traffic rights, terminal facilities, exchanges of property, interchange of traffic, or any other arrangement which they may deem necessary or desirable to obtain, continue or grant, including arrangements for merger, consolidation, purchase, sale or lease, and any guaranty of securities, and the Readjustment Managers may make contracts therefor, binding the company or

companies to be formed or utilized for the purpose of carrying out the Plan and this Agreement. In the event that any property is purchased by or for the Committees or the Readjustment Managers, or any of them, they may, in their discretion respectively, exercise all powers as purchasers to approve, affirm or disaffirm all contracts or leases appurtenant to all or any of said property so purchased. And, generally, the Readjustment Managers may make and ratify, or cause to be made and ratified, such purchases, contracts, stipulations and arrangements as in their opinion will operate, directly or indirectly, to aid in the preservation, improvement, development or protection of any property now owned by the Missouri Pacific or Iron Mountain Company or any corporation subsidiary to or affiliated with either of them or in which either of them may be interested, or any property which said Companies or corporations or any of them shall have contracted to acquire or in which said Companies or corporations may be interested directly or indirectly, or any property acquired or contemplated to be acquired by or for the New Company referred to in the Plan, or for any purposes of the Plan and of this Agreement, and the Readjustment Managers may do any and all things necessary or proper to prevent or to avoid opposition to or interference with the successful execution of the Plan and this Agreement.

Whenever the Readjustment Managers are of the opinion that the Depositors of Bonds of any class other than the Five Per Cent. Refunding Bonds and the Four Per Cent. Gold Loan Bonds of the Missouri Pacific Company should be represented by a Committee, such a Committee may be designated in accordance with the provisions of Article XIII of the Plan and with the effect therein specified.

SIXTH. The Committees severally agree that unless and until the Readjustment Managers shall have abandoned the entire Plan as in Article Tenth hereof provided, the Committees will co-operate with the Readjustment Managers in endeavoring to carry the Plan or any modification thereof or substitute plan adopted in accordance with the provisions of the Plan and of this Agreement, fully into effect ; and to that end the Committees severally agree that they will at all times upon the request of the Readjustment Managers exercise such of the powers hereby conferred upon the Committees respectively and in such manner and to such extent as may from time to time be necessary for such purpose ; and without prejudice to the other provisions herein contained for the protection of the Committees, the Committees shall be fully protected in any action taken by them in accordance with any request made by the Readjustment Managers. At any time or times after the Plan shall have been declared operative as in Article Eighth hereof provided, each of the Committees shall, if and to the extent requested by the Readjustment Managers, and upon provision being made for the payment of any taxes or other expenses incident to the transfer, assign and transfer to the Readjustment Managers or the nominee or nominees of the Readjustment Managers the securities of any class or classes deposited hereunder and represented by such Committee, or the proceeds thereof or property representative thereof then held hereunder, all in accordance with such request. In case of any such assignment and transfer, the Readjustment Managers or such nominee or nominees of the Readjustment Managers shall thenceforth be vested with all the rights and powers of full and complete ownership of the securities, proceeds or property so assigned and transferred, and in respect thereof shall have the same powers, title and authority and be subject to the same duties in respect of such securities, proceeds or property as are conferred and imposed by the Plan and this Agreement upon the Committee originally representing such securities. All indebtedness, expenses and obligations charged upon the deposited securities and all such incurred by any of the Committees before any such transfer, and all which may thereafter be so incurred with the approval of the Readjustment Managers, and the compensation of the Committees, shall, notwithstanding any such assignment and transfer, be and continue to be a charge against and lien upon the securities so transferred.

SEVENTH. The Readjustment Managers may organize, or procure to be organized, one or more new companies, or they may adopt or use any company or companies whether now existing

or not, and they may make or cause to be made consolidations, increases of capital stock, creation and issuance of securities, leases, sales, purchases, agreements and other arrangements by or between any such companies or with other companies, firms or individuals; they may make or cause to be made conveyances or transfers of any properties or securities acquired by them or with their approval; they may cause the ownership of all or any property by any existing or new company to be either a direct ownership or ownership through bonds or through the shares of stock, or both, of any other company, and may cause any mortgage or mortgages securing bonds of any existing or new company to be either a direct lien upon any particular property, or a lien upon the bonds or shares of stock, or both, of any company owning such property; and the Readjustment Managers may take or allow to be taken such proceedings as they may deem proper for the purpose of creating the new securities provided for in the Plan, and for carrying out all or any of the provisions of the Plan and of this Agreement. An issue of preferred stock may be deemed to comply with the provisions of this Agreement and the Plan even though it be subject to the prior rights of other stock, provided such other stock shall be relatively so inconsiderable in amount that in the opinion of the Readjustment Managers the existence of such stock should not prevent the consummation of the Plan. Voting trust certificates may, in the discretion of the Readjustment Managers, be distributed to Depositors in lieu of stock certificates for new common or new preferred stock or both. The Readjustment Managers are authorized to receive and dispose of, or to allow to be received or disposed of, by any other person or corporation, in accordance with any of the provisions of the Plan and of this Agreement, the new securities to be created; and they may vote, or cause or allow any person or corporation to vote, upon any or all stock until the same shall be transferred or distributed, as contemplated in the Plan, to the persons, firms or corporations entitled to receive the same.

EIGHTH. The Readjustment Managers in their absolute discretion may determine whether and when a sufficient amount of the securities of the various classes shall have been deposited under the Plan and this Agreement to render it advisable to declare the Plan operative, and their determination in that respect shall be final, binding and conclusive upon all Depositors. They may in their discretion declare the Plan operative as to all classes of securities for which provision is made in the Plan or only as to certain classes of such securities, provided that the Five Per Cent. Refunding Bonds, the Four Per Cent. Gold Loan Bonds and the Stock of the Missouri Pacific Company which shall have been deposited hereunder shall be among the securities as to which the Plan is declared operative. In case the Readjustment Managers shall declare the Plan operative as to the deposited securities of any classes as aforesaid, they shall thereupon publish notice to that effect as hereinafter provided in Article Eighteenth of this Agreement. If the Readjustment Managers shall not have begun the publication of such notice on or before June 1, 1916, or such later date as the two Bondholders' Committees and the Stockholders' Committee herein mentioned may from time to time approve, holders of certificates of deposit for securities deposited hereunder shall be entitled to withdraw the securities represented thereby from deposit hereunder within thirty days after June 1, 1916, or such later date, upon the terms and conditions hereinafter in Article Ninth provided in respect of withdrawals permitted in certain cases upon the adoption of modifications of the Plan or a substitute plan. The Readjustment Managers may, before declaring the Plan operative and effective, exercise any or all the powers and authority upon them conferred by this Agreement, in whole or in part, if they shall deem it advisable so to do.

NINTH. The Readjustment Managers shall have power, whenever they shall deem it proper, to modify or depart from the Plan and this Agreement or any part thereof or to substitute a new plan therefor, subject to the provisions of Article XII of the Plan. At any time or times, after any such modification, departure or substitution, and subject to such provisions, they may make any further modification, departure or substitution, or may restore to the Plan and this Agreement any abandoned part or parts thereof, or discard any modification or substitution or

any part thereof, and seek to carry the Plan and this Agreement into effect as fully as if such modifications, departures or substitution had not been made. They may also, subject to such provisions, attempt to carry the Plan and this Agreement into effect, rather than to abandon or modify the same, or substitute any other plan, even though it be manifest that, if consummated, the Plan and this Agreement must depart from the original Plan and this Agreement or from some part thereof. The Readjustment Managers shall file with each of the Depositaries hereinbefore named a statement signed by the Readjustment Managers of any such modification or substitute plan, which shall become effective and be part of the Plan and this Agreement upon such filing but not prior thereto. Every statement so filed shall be open to the inspection of all Depositors.

No modified or substitute plan shall be deemed to adversely affect to a material degree the interests of the Depositors of Stock, Five Per Cent. Refunding Bonds or Four Per Cent. Gold Loan Bonds of the Missouri Pacific Company or of any other class or classes of securities to be embraced in the modified or substitute plan, provided the modified or substitute plan shall have been approved in writing by the Committees representing Stock, Five Per Cent. Refunding Bonds and Four Per Cent. Gold Loan Bonds of the Missouri Pacific Company and shall in the opinion of the Readjustment Managers make adequate provision as follows :

(a) For the exchange of the deposited Five Per Cent. Refunding Bonds and the Four Per Cent. Gold Loan Bonds for new Five Per Cent. Preferred Stock or new Five Per Cent. Income Bonds at the rates of exchange provided for in the present Plan ; and

(b) For at least \$40,000,000 of new cash and the issue, for such cash and in place of the present outstanding stock, of new Four Per Cent. Bonds issued under and secured by a mortgage which shall be junior in rank to a new mortgage having substantially the character and rank in respect of the property of the New Company of the new First and Refunding Mortgage described in the present Plan and new common stock, the stockholders of the Missouri Pacific Company to have the *pro rata* opportunity of participating in the Plan and furnishing such new cash and acquiring therefor and in exchange for their stock such new Four Per Cent. Bonds and new common stock at rates which shall be no less favorable to the stockholders than the rates specified in the present Plan ; and

(c) For an opportunity for the holders of the other obligations of the Missouri Pacific or Iron Mountain Companies entitled to new securities under the present Plan to exchange their securities for new First and Refunding Mortgage Bonds or new General Mortgage Bonds or new Preferred Stock (or Income Bonds) created under the modified or substitute plan, as the case may be, at the rates of exchange specified in the present Plan, except that, in the discretion of the Readjustment Managers, any issue of bonds secured by a sectional mortgage or lien may be excluded from the Readjustment in case at least a majority of the issue shall have not been deposited subject to the Plan and Agreement. In the event of the exclusion of any such issue of bonds, notice thereof shall be published in the manner prescribed in Article Eighteenth hereof and depositors of such bonds shall, subject to the provisions of Article Eleventh hereof, be entitled to withdraw the same from deposit without expense or payment upon surrender of their certificates of deposit to the proper Depositary or Sub-Depositary ; and

(d) For the ownership or control by the New Company, either by direct ownership or through stock control, of the lines of railroad now severally owned by the Missouri Pacific Company and the Iron Mountain Company, except such lines not forming an integral part of the main routes of the System, as in the opinion of the Readjustment Managers it is inexpedient to retain.

In case, in the judgment of the Readjustment Managers, the proposed modified or substitute plan shall not meet the foregoing requirements or shall for any other reason adversely affect to a material degree the interests of the Depositors of Stock, Five Per Cent. Refunding Bonds or Four

Per Cent. Gold Loan Bonds of the Missouri Pacific Company or of any other class or classes of securities to be embraced in the modified or substitute plan, the Readjustment Managers shall, and in any case they may, file a statement of such modification, departure or substitute plan, as the case may be, with each of the Depositaries and publish a notice to that effect in accordance with the provisions of Article Eighteenth of this Agreement. Within thirty days after the first publication of any such notice any holder of a certificate of deposit for the securities affected as specified in such notice, may surrender his certificate of deposit, with a properly executed transfer thereof, if registered, to the Depositary or Sub-Depositary which issued the same, and withdraw, as the case may be, the securities, or the proceeds thereof or substitutes therefor, then under the control of any Committee or the Readjustment Managers or otherwise subject to the Plan and this Agreement, to the amount indicated in such certificate of deposit, together with the amount of any moneys paid in respect of any shares of stock represented by such certificate of deposit as indicated by the notation placed thereon in accordance with this Agreement, but without interest upon such moneys; provided, however (a), that, if and to the extent that such deposited securities and such moneys shall have been so used or appropriated that the proceeds thereof or substitutes therefor shall in the opinion of the Readjustment Managers not be susceptible of immediate and convenient distribution, any withdrawing Depositors shall receive, in lieu of any portion of said proceeds or substitutes, certificates of interest in such form and containing such provisions as the Readjustment Managers may prescribe, and (b) that if, before the exercise of such right of withdrawal, the securities represented by such certificates of deposit respectively shall have been paid in full or shall have been credited with the full amount thereof out of the security therefor or otherwise, then the holders of such certificates of deposit shall not be entitled to the redelivery of such securities, respectively, and (c) that in every case of such surrender the holder of the certificate of deposit surrendered shall pay to the Depositary or Sub-Depositary of such securities, at the time of such withdrawal, such an amount as the Readjustment Managers may in their discretion determine to be a fair contribution in respect of the securities so withdrawn toward the disbursements, expenses, indebtedness, liabilities and compensation of the Readjustment Managers, and also such an amount as the Committee, if any, representing such securities shall determine to be a fair contribution in respect of the securities so withdrawn toward the disbursements, expenses, indebtedness, liabilities and compensation of such Committee; but the aggregate of the amounts so payable toward the compensation and expenses of the Readjustment Managers and of any such Committee shall not exceed one per cent. of the par amount of the securities so withdrawn. Every withdrawing Depositor, by such surrender and withdrawal, shall thereupon, without any further act, be relieved from the Plan and this Agreement, and shall cease to have any rights thereunder, and the exercise of such right of withdrawal shall release and discharge the Committees, the Readjustment Managers and the Depositaries and Sub-Depositaries from all liability and accountability of every character to every such withdrawing Depositor. Every Depositor not so surrendering and withdrawing within said period of thirty days after the first publication of any such notice shall be irrevocably and conclusively deemed and taken to have assented to the proposed modification or substitute plan, and, whether or not otherwise objecting, shall be bound and concluded thereby as fully and effectively as if he had actually assented thereto. All modifications or substitute plans so adopted by the Readjustment Managers, as herein provided, shall forthwith upon such adoption become a part of the Plan and of this Agreement, and all provisions and references concerning the Plan shall apply to the Plan as so modified or to such substitute plan.

TENTH. The Readjustment Managers in their discretion may abandon the entire Plan, at any time either before or after the same shall have been declared operative, upon giving notice of their election to abandon the same by publication of such notice in the manner prescribed by Article

Eighteenth hereof, but such abandonment shall not affect any previous acts or contracts done or approved by the Readjustment Managers. In case of such abandonment, Depositors upon payment of the amounts hereinbefore in Article Ninth provided in respect of withdrawals thereunder and upon surrender to their respective Depositaries or Sub-Depositaries of their certificates of deposit with properly executed transfers thereof, if registered, shall (subject to the provisions of Article Eleventh relating to new plans and agreements) be entitled to receive securities or certificates of interest as hereinbefore in Article Ninth provided in respect of withdrawals thereunder. Any moneys paid by the Depositors pursuant to the provisions of the Plan and of this Agreement, or any coupons, receivers' certificates or other obligations, or securities, claims or property acquired therewith, or the proceeds thereof when received, and any other securities and property subject hereto, remaining after deducting therefrom the disbursements, expenses, indebtedness, liabilities and compensation of the Committees and the Readjustment Managers, may, in case of the abandonment of the entire Plan as aforesaid, be distributed as the Readjustment Managers, in their sole discretion, shall deem to be equitable, among the respective holders of certificates of deposit for various classes of securities issued hereunder. The Committees and the Readjustment Managers shall not, however, be liable for the loss of any money disbursed by them or any of them for the purposes of this Agreement, nor for the depreciation in value of any property or securities by them acquired or received.

ELEVENTH. In case of the publication of any notice of abandonment of the Plan any Committee or the Readjustment Managers may, or in case of the publication of any notice of a modification of the Plan or of the substitution of a new plan, which shall exclude from the Plan and this Agreement as so modified or changed any class or classes of securities, the Committee or Committees representing such class or classes of securities, or the Readjustment Managers, if there be no such Committee, may, at or after the commencement of the publication of any such notice of abandonment, modification or substitution as the case may be, file with the proper Depositary a plan or agreement, or both, looking toward concerted action on behalf of the holders, of securities of any class or classes represented by it or them, in case of such abandonment, or, in case of such exclusion, of any class or classes so represented and excluded; and in either case such Committee or the Readjustment Managers, as the case may be, shall publish notice of such filing in the manner prescribed by Article Eighteenth hereof; and every Depositor of securities of any such class or classes not surrendering his certificate of deposit in compliance with the provisions of this Agreement in such respect and so withdrawing as hereinbefore provided within the period of thirty days commencing upon the first publication of such notice of filing, shall be irrevocably and conclusively deemed and taken to have assented to the plan or agreement, or both, so filed, and, whether or not otherwise objecting, shall be bound and concluded thereby as fully and effectually as if he had actually assented thereto; and such Committee or the Readjustment Managers, as the case may be, so filing such plan or agreement, or both, shall thenceforth be vested under the terms thereof, as trustees of an express trust, with the legal title to all the deposited securities of such class or classes not so withdrawn within said period of thirty days, or any proceeds thereof; and every Depositor of securities of such class or classes not withdrawing the same within said period of thirty days shall be deemed to have accepted all the provisions of such plan or agreement and to have become a party thereto as fully as if such Depositor had executed the same, and shall be irrevocably and conclusively bound thereby.

TWELFTH. The Readjustment Managers and the proper Committees may, in their discretion, limit the amounts payable to them respectively by Depositors dissenting from any such modification of the Plan, or by Depositors in the event of the abandonment thereof, to the amounts payable

as and for the compensation and expenses of the Readjustment Managers and of the Committees, in which event the Depositors shall not (except to the extent of any moneys paid hereunder other than as a condition of withdrawal or upon abandonment) be entitled to participate or share in any property of any kind or description acquired by or on behalf of the Committees and the Readjustment Managers, or any of them, in connection with or by reason of any advances made to or liabilities incurred by them or with their authority or for their account.

Securities deposited hereunder cannot, without the consent of the Readjustment Managers and of the Committee, if any, representing such securities, be withdrawn from deposit, except as and when and during the periods in this Agreement provided.

The word "liabilities," when used in this Agreement, shall be deemed to include any sums of money due to any syndicate or syndicates organized as provided for by the Plan and this Agreement in repayment of sums theretofore paid or advanced by it or them, and also all sums of money, securities or other property borrowed or owed by the Committees and the Readjustment Managers, or any of them, and all sums as security for the payment of which the Committees and the Readjustment Managers, or any of them, shall have pledged or charged the deposited securities or any of them. In case a Depositor as a condition to the withdrawal of securities upon the abandonment or modification of the Plan shall be required to contribute toward any advances or any amounts invested in securities or other property, he shall be entitled to receive from the proper Committee or from the Readjustment Managers, as the case may be, a certificate evidencing his interest in such advances or investment.

THIRTEENTH. The Readjustment Managers may proceed under the Plan and under this Agreement, or any part thereof, with or without foreclosure or enforcement of one or more of the existing mortgages and trust indentures constituting liens upon property of the Missouri Pacific Company or the Iron Mountain Company, and, in case of sale upon such foreclosure or enforcement, they may exercise any power conferred by this Agreement either before or after any such sale or sales.

In every case all the provisions of the Plan and of this Agreement shall apply to and in respect of any property embraced in the readjustment and to and in respect of any securities representing any such property, it being intended that, for all purposes hereof, any such property and any securities representing such property may be treated or accepted by the Readjustment Managers as substantially identical.

In case, in the opinion of the Readjustment Managers, any other or separate plan shall be necessary or expedient to effect the readjustment of the property of said Companies or any part thereof, or for any consolidation or arrangement with, or for any sale, lease or purchase to or from, any company or companies now in existence or to be hereafter formed, the Readjustment Managers may promote or promulgate the same and may participate therein, and may (with the consent of the Committee, if any, representing such securities) deposit thereunder any securities thereby affected or to which such separate plan shall relate, or the Readjustment Managers may enter into any agreement with any other committee representing holders of securities of any class necessary or expedient for such purposes.

FOURTEENTH. Any action contemplated in the Plan or authorized by this Agreement may be taken or performed whenever the Readjustment Managers, in their uncontrolled discretion, shall deem advisable. Any such action may be taken by the Readjustment Managers, or by any one approved by them, at any time when they shall deem the readjustment advanced sufficiently to justify such action, and, as they may deem necessary or expedient, the Readjustment Managers may defer or permit to be deferred the performance of any provision of the Plan or of this Agreement, or they may commit such performance to the New Company, and may cause the New Company to pay or assume any indebtedness or liabilities authorized or incurred by the Readjustment Managers or any Committee or otherwise, in furtherance of the Plan, or to make or assume any

obligations which, in the judgment of the Readjustment Managers, may be necessary or expedient to carry out the Plan and this Agreement.

The Readjustment Managers may, in their discretion, set apart and hold or place in trust, or permit to be set apart and held or placed in trust, any part of the new securities to be issued and any cash which may be received from sales of new securities or otherwise, as they may deem suitable for the purpose of securing the application thereof for any of the purposes of the Plan or of this Agreement. From time to time, for the purpose of carrying the Plan into effect, or of obtaining assents thereto, the Readjustment Managers, either generally or in special instances, may make or ratify, or cause to be made or ratified, contracts with any person, association, firm, syndicate, corporation or committee representing securities of any class, and, in their discretion, either generally or in special instances and upon such general or special terms or conditions as they may deem proper, they may arrange to procure the deposit of any securities of any class, and by loan or guaranty or by the sale of new securities to be created or otherwise, on such terms and conditions and representations as the Readjustment Managers may deem proper, they may obtain or permit to be obtained any money or moneys required to carry out the Plan, including such sums as the Readjustment Managers may deem expedient to provide for the uses of any company formed or utilized for the purpose of carrying out the Plan and for the performance of any contract.

The Readjustment Managers may prescribe or approve the form and terms of all charters, regulations and by-laws of any corporations that may be utilized in the readjustment and of all certificates of stock, bonds, notes and other securities at any time to be issued and all mortgages, trust indentures and all other instruments at any time to be executed, and may make with any person or persons, association or associations, firm or firms, corporation or corporations, syndicate or syndicates, any contracts or agreements in relation to or in any wise affecting the same. The Readjustment Managers may likewise create and provide for all voting and other trusts deemed by them to be expedient, and may nominate and appoint trustees thereunder, subject to the provisions of Article VIII of the Plan. They shall have power to make equitable provision for any case of lost or destroyed bonds, coupons or certificates of stock issued, and to provide for and make or cause to be made such issues of scrip to represent any fractional interest in the new securities, and, to such extent as they shall deem necessary, they may distribute such scrip to the Depositors, and may, in their discretion, settle for and adjust any such fractional interest in cash, or credit or pay such cash to the Depositors in lieu of distributing to them such scrip. In case they shall deem it advisable for any reason, the Readjustment Managers are authorized to issue or to cause to be issued temporary or interim certificates to represent the new securities or any of them. The Readjustment Managers may dispose of such of the new securities to be created and issued under the Plan as may not be distributed under the Plan and this Agreement to holders of certificates of deposit issued thereunder, by the sale or delivery or transfer of such new securities to such persons, associations, firms, corporations or syndicates as the Readjustment Managers may select for that purpose and upon such terms and conditions as they may, in their uncontrolled discretion, determine.

The Readjustment Managers will endeavor to carry out the Plan either in its original form or with modifications or substitutions as aforesaid, but neither the Readjustment Managers, nor the Committees nor the Depositaries or Sub-Depositaries assume any personal responsibility for carrying out the Plan and this Agreement, or any part of either, nor for the results of any steps taken or acts done for that purpose, nor shall the Readjustment Managers, the Committees, the Depositaries or the Sub-Depositaries hereunder be personally liable for any act or omission of said Readjustment Managers, Committees, Depositaries or Sub-Depositaries or of any agent or employee selected by them or any of them, nor for any error of judgment or mistake of fact or law, nor for any acts except for their own individual wilful malfeasance. The Readjustment Managers or any of the Committees or any sub-committees may advise with counsel,

and the opinion of counsel, acted upon in good faith, shall be full protection to them for anything done or suffered to be done in accordance with such opinion. The Readjustment Managers and the Committees may act through any sub-committee or agent or otherwise, and may delegate any authority as well as discretion to any such sub-committee or agent, or otherwise, and the members of any such sub-committee, or any such agent, may be allowed a reasonable compensation for their services hereunder.

The Readjustment Managers shall have the right to form or procure the formation of any syndicate or syndicates which they may deem necessary or advantageous for carrying out the purposes, or any thereof, of the Plan or of this Agreement, and the firm of Readjustment Managers and any of the Committees, or any of the members of said firm or of such Committees, and any of the Depositaries or Sub-Depositaries, or any corporation, partnership or association in which they or any of them are in any manner interested, may act as members or managers of such syndicate or syndicates and may be pecuniarily interested therein. The terms and compensation of any such syndicate or syndicates shall be fixed by the Readjustment Managers, and as so fixed shall be binding and conclusive upon the Depositors. The syndicate managers may receive compensation as such, and any syndicate managers who may be members of the firm of Readjustment Managers or of any of the Committees, shall receive also compensation as members of the firm of Readjustment Managers or of any of the Committees. The Readjustment Managers, the Committees or any of the Depositaries hereunder and any Sub-Depositaries may make deposits of securities hereunder, and shall be entitled to the same benefits as any other Depositors, and the firm of Readjustment Managers or any of the Committees, or any of the members of said firm or of such Committees, or any of the Depositaries hereunder or any Sub-Depository or any Depositor, without accountability in respect thereof, may purchase or be or become pecuniarily interested in, or in the purchase of, any bonds, stocks, contracts, property or matters which the Plan or this Agreement concerns or to which it relates, including participation in or under any syndicate agreement, whether or not mentioned in the Plan, as syndicate managers, members, subscribers or otherwise, and may furnish the Missouri Pacific Company, the Iron Mountain Company or the New Company, or any of them, with moneys to enable them or any of them to carry out or participate in this Plan, or any other plan, or be interested in the advancement of moneys in connection with the readjustment, or any modified or substitute plan of readjustment. The members of the firm of Readjustment Managers or of the Committees, or any of them, may be incorporators, officers or directors of any company utilized in the readjustment, and any of the Depositaries or Sub-Depositaries hereunder may be trustee under any new mortgage or trust indenture and may otherwise act in any capacity for the New Company or the holders of its securities. Any direction given by any Committee or the Readjustment Managers, as the case may be, shall be full and sufficient authority for any acts of the Depositaries, or of any Sub-Depository or custodian, or any sub-committee or agent. The Depositaries hereunder shall incur no liability for anything done or suffered to be done at the request or direction of the Committees or the Readjustment Managers, respectively. Any Committee or the Readjustment Managers, as the case may be, may at any time appoint a successor to any of its or their Depositaries or Sub-Depositaries, or may appoint any additional Depository or Depositaries, or Sub-Depository or Sub-Depositaries.

The Readjustment Managers shall be entitled to compensation for their services, whether such services be in that capacity or as syndicate managers or otherwise under or in connection with this Plan, and such compensation shall be approved by the Board of Directors of the Missouri Pacific Company or of the New Company in case the readjustment is effected without the foreclosure or enforcement of any mortgage or trust indenture, or, in case the readjustment shall be consummated after any such foreclosure or enforcement, by the Chairmen of the three Committees representing respectively Stock, Five Per Cent. Refunding Bonds and Four Per Cent. Gold Loan Bonds of the Missouri Pacific Company, or a majority of said

Chairmen. The members of the several Committees shall be entitled to compensation to be fixed by the Committees subject to the approval of the Board of Directors of the Missouri Pacific Company if the Plan shall be consummated without the foreclosure or enforcement of any mortgage or trust indenture, or subject to the approval of the Chairmen of the three Committees hereinbefore mentioned in case the Plan shall be consummated after the foreclosure or enforcement of any mortgage or trust indenture constituting a lien upon the property of the Missouri Pacific Company. The Committees and the Readjustment Managers may employ counsel, Depositaries, Sub-Depositaries, agents and all necessary assistants, and may incur and discharge any and all expenses approved by the Readjustment Managers for the purposes of the Plan or for carrying out, or attempting to carry out, the same, including the compensation and expenses of counsel and engineering and other experts, and all compensation and expenses in any way connected with any receivership of the Missouri Pacific Company or the Iron Mountain Company or either of them, and also the expenses and compensation of the Readjustment Managers, and of the members of the Committees and their counsel, agents and employees, the Depositaries and all Sub-Depositaries, and all expenses in connection with the preparation of the Plan and this Agreement, the authorization, creation, issue and distribution of securities, the incorporation of any companies, and all other expenses, liabilities and disbursements in any manner connected with the Plan or this Agreement or which they may deem expedient to incur in undertaking to promote any of the purposes thereof. The Committees and the Readjustment Managers, for any disbursements or expenditures made or liabilities incurred by or in respect of the readjustment or the carrying out or furtherance thereof, and for their compensation and the compensation of such persons, firms or corporations (including the Depositaries and Sub-Depositaries) as they may see fit to employ, shall have a lien upon all the deposited securities, and upon all property and securities acquired in the course of the readjustment, and, until their delivery or distribution, upon the new securities contemplated by the Plan. The Committees shall respectively assume as a charge upon the securities deposited with their respective Depositaries or Sub-Depositaries proportionate amounts of the disbursements, expenses, indebtedness, liabilities and compensation of the Readjustment Managers as the same shall be apportioned to the several classes of securities by the Readjustment Managers in their discretion and notice thereof given in writing to the respective Committees, and any such apportionment made by the Readjustment Managers shall be binding upon all Depositors and shall be a charge and lien in favor of the Readjustment Managers upon the securities deposited under the Plan and this Agreement and the proceeds thereof respectively, according to the apportionment thus made.

The accounts of the Committees and of the Readjustment Managers shall be filed, within six months after the readjustment shall be determined by the Readjustment Managers to have been sufficiently completed for the purpose, with the Board of Directors of the New Company, unless a longer time be granted by said Board of Directors. Such accounts, when approved by such Board of Directors, shall be final, binding and conclusive upon the Depositors and upon all other parties having any interest therein, and upon such approval, whenever and however given, the Committee and the Readjustment Managers shall respectively be discharged, and all liability and accountability on their part shall cease.

The acceptance of any new securities by any Depositor shall estop such acceptor from questioning the conformity of such securities in any particular to any provision of the Plan, and shall constitute full ratification by such acceptor of all acts and proceedings of the Readjustment Managers and of the Committees. The receipt by the holders of certificates of deposit representing a majority in amount of any class of securities, of cash or new securities or other property or certificates of interest therein distributed under any of the provisions of this agreement, and the surrender of certificates of deposit representing a majority in amount of the securities of such class, shall constitute a release and discharge of the Readjustment Managers, the Committees and the

Depositories on the part of the holders of all outstanding certificates for securities of such class from all liability and accountability of every kind, character and description whatsoever, save the obligation to make delivery of a like *pro rata* amount of cash, securities or other property or certificates of interest therein upon the surrender of outstanding certificates of deposit for securities of such class.

FIFTEENTH. The Readjustment Managers may construe the Plan and this Agreement, and their construction thereof or action thereunder in good faith shall be final and conclusive. They may supply any defect or omission or reconcile any inconsistency in such manner and to such extent as shall be deemed by them necessary or expedient to carry out the same properly and effectively, and they shall be the sole and final judges of such necessity or expediency. The enumeration of specific powers by this Agreement conferred shall not be construed to limit or to restrict the general powers conferred by this Agreement or intended so to be, and it is hereby distinctly declared that it is intended by this Agreement to confer on the Committees and the Readjustment Managers (and the Depositors hereby severally confer upon the Committees and the Readjustment Managers in respect of all deposited securities represented by them respectively and in all other respects) any and all powers which the Readjustment Managers may deem necessary or expedient, in their uncontrolled discretion, in or toward carrying out or promoting the purposes of the Plan and of this Agreement, in their entirety or in part, to such extent and in such manner and with such modifications and substitutions as the Readjustment Managers may determine subject to the provisions of Article XII of the Plan, even though any such power be apparently of a character not now contemplated; and any and every such power may be exercised as fully and effectively as if the same were herein distinctly specified and as often as for any cause or reason they may deem expedient; and all powers necessary or proper for any of the purposes hereof, if not in this Agreement expressed shall be implied. The methods and means to be adopted for or toward carrying out the Plan and this Agreement shall be entirely discretionary with the Readjustment Managers; and the Plan and this Agreement are in all respects to be liberally construed so as to enable the Readjustment Managers to carry into effect the Plan, whether in the form hereto attached or with any such modifications or substitutions.

SIXTEENTH. All securities deposited under or subject to the Plan and this Agreement, and all securities, claims and property purchased or otherwise acquired under the Plan or this Agreement, shall remain in full force and effect for all purposes, and shall not be deemed to have been merged, satisfied, released or discharged by any delivery of any securities, and no legal right or lien shall be deemed released or waived in respect of any such securities and property, and any judgment upon any claims (including claims and judgments for deficiencies), and all liens and equities, shall remain unimpaired and may be enforced by the Committees and the Readjustment Managers and their successors or assigns until paid or satisfied in full or expressly released by or with the consent of the Committees or the Readjustment Managers, as the case may be, or their successors in interest; and the Committees or the Readjustment Managers, as the case may be, or their successors in interest, or both, may in their discretion release the same or any thereof, either absolutely or upon such terms and conditions as they may prescribe.

Neither the Committees nor the Readjustment Managers nor any Depositor, by becoming a party hereto, releases, surrenders or waives (except to or in favor of the Committees or the Readjustment Managers) any lien, right or claim in favor of the securities deposited under or subject to the Plan and this Agreement, and all such liens, rights and claims shall vest unimpaired in the Committees or the Readjustment Managers and (unless otherwise determined by the Readjustment Managers) in their assigns, transferees or successors in interest, and any purchase or purchases by or on behalf of the Committees or the Readjustment Managers, their nominee or nominees under any decree for the enforcement of any such lien, right or claim, shall vest the

property purchased in the Committees or the Readjustment Managers or in their said nominee or nominees. No right is conferred nor any trust, liability or obligation (except the agreements herein contained in favor of Depositors) is created by the Plan or by this Agreement, or is assumed hereunder or by or for the New Company in favor of any creditor or any holder of any of the securities of or claims against the Missouri Pacific Company or the Iron Mountain Company or either of them nor in favor of any company now existing or hereafter to be formed (whether such claim be based on any bonds, coupons, guaranties, notes, stocks or other securities, liens, debts or otherwise), in respect of any of the securities deposited under the Plan and this Agreement or any moneys paid to or received by the Committees or the Readjustment Managers or any Depositary or Sub-Depositary hereunder, or in respect of any property acquired by purchase at any judicial sale or otherwise, or in respect of any new securities to be issued hereunder, or in respect of any other matter or thing whatsoever.

SEVENTEENTH. Central Trust Company of New York as Depositary hereunder shall hold all moneys paid by Depositors of stock under or in respect of the Plan and this Agreement, subject to the order of the Readjustment Managers. The Readjustment Managers are hereby expressly authorized to use the same or any part thereof, or to cause or permit the same or any part thereof to be used, for any of the purposes of the Plan or of this Agreement, at such time as in their discretion may be most convenient and as from time to time may be determined by the Readjustment Managers, their determination as to the propriety and purpose of any such application to be final and binding upon all of the Depositors; and nothing in the Plan or in this Agreement shall be understood as limiting or requiring the application of any specific moneys to any specific purpose. The Readjustment Managers in their discretion may themselves hold, or may designate other banks, bankers or trust companies to hold, subject to their order, any part of the moneys paid by Depositors of stock under the Plan, or otherwise held hereunder, without responsibility for such other banks, bankers or trust companies. Any obligation in the nature of floating debt or otherwise against the Missouri Pacific and Iron Mountain Companies or either of them or any property embraced in the Plan either as proposed or as carried out, or any securities held as collateral for any such obligation, or any certificates of indebtedness, obligations or liabilities of the Missouri Pacific and Iron Mountain Companies or either of them or any receiver or receivers of said Companies or either of them, may be paid, compromised, acquired, utilized or extinguished at such times, or be held by the Readjustment Managers, their nominee or nominees, for such period, and in such manner and upon such terms as they may deem proper for the purposes of the readjustment; but nothing in the Plan or in this Agreement contained is intended to constitute, nor shall any provision herein or hereunder constitute, any liability or trust in favor or in respect of any such obligation.

EIGHTEENTH. All calls for the deposit of securities and payments to be made as provided by the Plan or by this Agreement, or for the presentation or surrender of certificates of deposit and all notices fixing or limiting any period for the deposit of securities or for such payments and all other calls or notices hereunder, except when herein otherwise expressly provided, shall be inserted in "The New York Times" and "The New York Evening Post" and in such additional newspapers in New York or elsewhere, if any, as the Readjustment Managers may determine, twice in each week for four successive weeks, beginning on any day of the week. In case the publication of either of the two newspapers above named shall cease or be suspended, one or more newspapers of general circulation, published in the City of New York, may be substituted in the place thereof. Any call or notice whatsoever, when so published by the Readjustment Managers or by the Committees, shall be taken and shall be considered as though personally served on all parties hereto and upon all parties to be bound thereby as of the date of the first insertion thereof, and such publication shall be the only notice required to be given under any

provision of the Plan or of this Agreement and shall be sufficient for all purposes whether or not actually brought to the notice of any Depositor.

NINETEENTH. No estimate, explanation or suggestion nor anything else contained in the introductory statement hereto or in the Plan or this Agreement, or in any circular issued or which may hereafter be issued by the Board of Directors or Executive Committee or any officer or officers of the Missouri Pacific Company or the Iron Mountain Company, or by the Committees or any of them or the Readjustment Managers, or by any Depositary or Sub-Depositary or anyone else, is intended or is to be taken as a representation or warranty or as a condition of or inducement for deposit or assent under the Plan and this Agreement or any modification thereof or amendment thereto, and no defect or error therein shall release any deposit thereunder or affect or release any assent thereto, except by written consent of the Readjustment Managers. Except when otherwise specifically stated, the statements of new capitalization in comparison with former capitalization and the other estimates and provisions of the Plan omit consideration of, and make no allowance for, such new securities as may be authorized and ultimately issued by the New Company on account of guaranties, endorsements, contingent liabilities and unsecured liabilities of the Missouri Pacific Company or the Iron Mountain Company, nor for such variations and departures from the Plan and the estimates therein contained in respect of the property and capital of the New Company and the amount and character of the securities to be issued and the security therefor or otherwise, which may result from the Plan being declared operative notwithstanding that some of the securities authorized to be dealt with thereunder may not have been deposited under this Agreement, nor for such additional securities as may be required in connection with the organization and compensation of syndicates. Reference is hereby made to the statement preceding this Plan defining the meaning of various terms when used in this Plan and in the introductory statement thereto.

TWENTIETH. The Readjustment Managers act hereunder as a co-partnership, and the Plan and this Agreement shall extend to said co-partnership as from time to time constituted.

The action of a majority of the members of any Committee, as from time to time constituted and notwithstanding any vacancy, expressed from time to time at a meeting or by writing without a meeting shall, for all purposes, constitute the action of such Committee and have the same effect as if assented to by all the members of such Committee. Each Committee may adopt its own rules of procedure, and may appoint sub-committees with such powers as it may determine which may be discretionary. Any member of any Committee may at any time resign by giving notice in writing to the Chairman or Secretary of such Committee and the several Committees may settle any actions or transactions with members resigning or with the personal representatives of deceased members and give full releases and discharges upon such resignations or settlements. The Readjustment Managers may at any time appoint a Joint Readjustment Committee of five or more members chosen from the membership of Committees at the time acting hereunder. Such Joint Readjustment Committee, upon the acceptance of its appointment, shall have and exercise such of the powers, rights, title and authority of the Readjustment Managers and be subject to such of its duties as the Readjustment Managers shall specify in the certificate of their appointment. The Readjustment Managers may in their discretion transfer all of their powers, rights, title, authority and duties under the Plan and this Agreement to such Joint Readjustment Committee who, upon their acceptance of such appointment, shall have and exercise all the powers, rights, title, authority and duties conferred and imposed by this Agreement and the Plan upon the Readjustment Managers; and the Readjustment Managers thereafter shall be relieved from all duties and responsibilities thereunder. An original of the certificate of the appointment of any such Committee and of the written acceptance of the appointment by the members thereof shall be filed with each of the Depositaries. Any expenses in connection with

any transfer of title to deposited securities or otherwise which in the opinion of the Readjustment Managers may be necessary or expedient in connection with the transfer of the powers and titles of the Readjustment Managers to a Joint Readjustment Committee or to a Committee appointed pursuant to Article XIII of the Plan shall be treated as part of the expenses of the Readjustment.

Any vacancy in any Committee caused by resignation, death or otherwise, may be filled by a vote of a majority of the remaining members of such Committee, but the Committees shall not be required to fill any vacancies so arising. Any Committee may, in like manner from time to time, add to its members. All titles, rights, duties, power and authority vested in any Committee hereunder shall from time to time vest in the members of such Committee for the time being without any further appointment, transfer or assignment whatsoever and notwithstanding any vacancy. Any member of any Committee may vote or act by proxy, who may but need not be a member of such Committee. Neither the Readjustment Managers nor any co-partner therein, nor any member of any Committee, nor any Depositary or Sub-Depositary named herein or appointed pursuant hereto, shall be personally liable for any act or omission of any agent selected in good faith, nor for any error of judgment or mistake of fact or of law, nor in any case except for their, his or its own wilful misconduct. The Depositaries and Sub-Depositaries shall at all times be free from any liability or responsibility in dealing with or disposing of securities, money or property deposited with them, respectively, as directed by the Committee representing the same or by the Readjustment Managers, as the case may be, and the Sub-Depositaries shall at all times be free from any liability or responsibility in dealing with or disposing of any securities or property deposited with them as directed by the respective Depositaries for such securities, or for the securities in respect of which such money or property shall have been received by such Sub-Depositaries.

TWENTY-FIRST. The Depositaries become parties to this agreement solely for the purpose of evidencing that in all transactions affecting the Plan and Agreement they are agents employed by the Committees or the Readjustment Managers respectively, and they respectively make no undertaking as to the carrying out of the Plan and Agreement except to observe the instructions of their respective Committees and Readjustment Managers, subject to which instructions alone the Depositaries shall hold and dispose of the securities deposited with them respectively. Any direction by any Committee to any Depositary or Sub-Depositary may be evidenced by an instrument signed by its Chairman or Secretary, and the adoption by any Committee of any resolution may be evidenced to any Depositary or Sub-Depositary by a copy thereof certified by the Chairman or Secretary of such Committee, and every Depositary or Sub-Depositary shall be fully protected in acting in reliance upon any direction or resolution so evidenced. In case any Depositary shall be requested to designate a Committee to represent holders of any of the deposited bonds as provided in Article XIII of the Plan, it may use its discretion in making such designation, and shall not be liable to any Depositor therefor. And notwithstanding that any Committee shall have been appointed by any Depositary, such Depositary may rely upon and shall be protected in acting in accordance with the directions of any such Committee.

TWENTY-SECOND. The Plan and this Agreement shall bind and benefit the several parties including the Depositors and their and each of their survivors, heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Readjustment Managers and a majority of each of the Committees above named have subscribed this Agreement and each of the Depositaries has caused this Agreement to be signed by its President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and the parties of the fourth part have become parties hereto in the manner herein provided by depositing their

securities and receiving therefor certificates of deposit issued hereunder, all as of the day and year first above written.

Executed in counterparts.

KUHN, LOEB & CO.

Readjustment Managers.

ALEXANDER J. HEMPHILL
ROBERT FLEMING
DONALD G. GEDDES
JEROME J. HANAUER
ALVIN W. KRECH
C. E. TERMEULEN

FRANK N. B. CLOSE
OTTO H. KAHN
J. H. McCLEMENT
JNO. W. PLATTEN
W. H. WILLIAMS

Members of the Committee representing Holders of Five Per Cent. First and Refunding Mortgage Fifty-Year Gold Bonds of The Missouri Pacific Railway Company.

Members of the Committee representing Holders of Forty Year Four Per Cent. Gold Loan Bonds of The Missouri Pacific Railway Company.

J. N. WALLACE
J. HORACE HARDING
FREDERICK STRAUSS
A. H. WIGGIN
ROBERT WINSOR

Members of the Committee representing Holders of Stock of The Missouri Pacific Railway Company.

BANKERS TRUST COMPANY, Depositary,

[CORPORATE SEAL]

by
W. N. DUANE
Vice-President.

Attest:

H. F. WILSON, Jr.
Asst. Secretary.

CENTRAL TRUST COMPANY OF NEW YORK, Depositary,

[CORPORATE SEAL]

by
GEO. W. DAVISON
Vice-President.

Attest:

M. FERGUSON
Secretary.

GUARANTY TRUST COMPANY OF NEW YORK, Depositary,

[CORPORATE SEAL]

by
WM. C. COX
Vice-President.

Attest:

E. C. HEBBARD
Secretary.

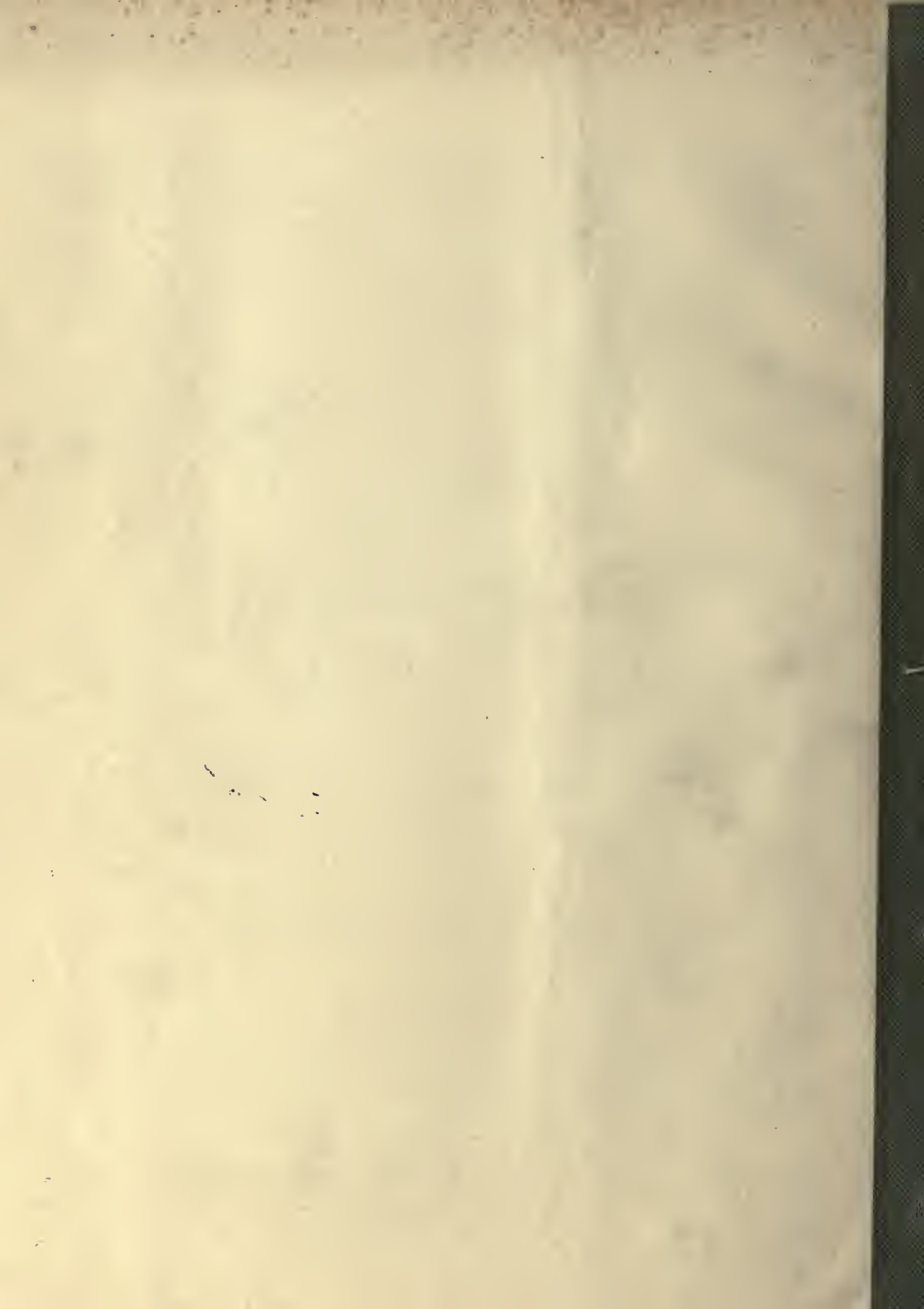
The foregoing Plan of Readjustment has been approved by the Boards of Directors of The Missouri Pacific Railway Company and St. Louis, Iron Mountain and Southern Railway Company.

THE MISSOURI PACIFIC RAILWAY COMPANY,

By B. F. BUSH, President.

ST. LOUIS, IRON MOUNTAIN AND SOUTHERN RAILWAY COMPANY,

By B. F. BUSH, President.



Binder
Gaylord Bros., Inc.
Makers
Stockton, Calif.
PAT. JAN. 21, 1908

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